INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Infrastructure Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of GMR Infrastructure Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint ventures, as at 31 March 2021, and their consolidated loss (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in note 8b(13)(i) to the accompanying consolidated financial statements, the Group has an investment amounting to ₹ 1,272.32 crore in GMR Energy Limited ('GEL'), a joint venture company and outstanding loan amounting to ₹ 745.12 crore (including accrued interest) (net of impairment), recoverable from GEL and its subsidiaries and joint ventures as at 31 March 2021. Further, the Holding Company has an investment in GMR Generation Assets Limited ('GGAL'), a subsidiary of the Holding Company. GEL has further invested in GMR Vemagiri Power Generation Limited ('GVPGL'), and GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL'), both subsidiaries of GEL and in GMR Kamalanga Energy Limited ('GKEL'), joint venture of GEL. GGAL has further invested in GMR Rajahmundry Energy Limited ('GREL'), an associate company of GGAL.

   As mentioned in note 8b(13)(iii), GVPGL and GREL have ceased operations due to continued unavailability of adequate supply of natural gas and other factors mentioned in the said note, and have been incurring significant losses, including cash losses with consequential erosion of their respective net worth. Further, GREL had entered into a resolution plan with its lenders to restructure its debt obligations during the year ended 31 March 2019. The Holding Company has given certain corporate guarantees for the loans including Cumulative Redeemable Preference Shares ('CRPS') outstanding in GREL amounting to ₹ 2,056.59 crore.

   The carrying value of the investment of the Group in GEL, to the extent of amount invested in GVPGL, and the Holding Company's obligations towards the corporate guarantees given for GREL are significantly dependent on the achievement of key assumptions considered in the valuation performed by the external expert particularly with respect to availability of natural gas, future tariff of power generated and realization of claims for losses incurred in earlier periods from the customer as detailed in the aforementioned note. The Group has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debts.

   As mentioned in note 8b(13)(vi), the management has accounted the investment in GKEL based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL.

   Further, as mentioned in note 8b(13)(iv), GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since 7 May 2014 on the directions of the Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite approvals from the Supreme court, environmental clearances, availability of funding support for development and construction of the aforesaid power plant and achievement of the other key assumptions made in the valuation assessment done by an external expert.

   Accordingly, owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the loans, non-current investment, and further provisions, if any, required to be made for the said obligations, and the consequential impact on the accompanying consolidated financial statements.

   The opinion expressed by us on the consolidated financial statements for the year ended 31 March 2020 vide our report dated 30 July 2020 was also qualified with respect to the above matters.

   The above matter pertaining to investment in GVPGL has been reported as a qualification in the audit report dated 29 May 2021 issued by another firm of chartered accountants on the standalone financial statements of GVPGL. The matters described above for GREL and GBHPL have been covered as an emphasis of matter in the audit report dated 19 April 2021 and 26 May 2021 issued by another firm of chartered accountants on the standalone financial statements of GREL and GBHPL respectively. Further, considering the erosion of net worth and net liability position of GKEL, GVPGL and GREL, we, in the capacity of auditors of GKEL and the respective auditors of GVPGL and GREL have also given a separate section on material uncertainty related to going concern in the audit reports on the respective standalone financial statements of aforesaid companies for the year ended 31 March 2021.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 22 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. Note 54 of the accompanying consolidated financial statements, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the consolidated financial statements of the Group as at the reporting date. Our opinion is not modified in respect of this matter.

6. We draw attention to Note 36(a) to the accompanying consolidated financial statements, which describes the uncertainty related to the outcome of a tax assessment from Maldives Inland Revenue Authority ('MIRA') on business profit tax. As per the statement issued by MIRA dated 31 December 2020, GMR Male International Airport Private Limited ('GMIAL') has to settle business profit tax amounted to USD 0.72 crore and fines on business profit tax amounted to USD 0.62 crore. As per the letter dated 22 January 2020 issued by the Ministry of Finance Male, Republic of Maldives, "the amount of tax assessed by the MIRA relating to the final arbitration award is only USD 0.59 crore and this amount should be paid by whom the payment was settled to GMIAL in the event of any tax payable by GMIAL". Further the letter also confirms that GMIAL is not liable to pay for the taxes assessed by MIRA on the arbitration sum and the Government of Maldives have initiated communication with MIRA to settle the taxes and fines payable on the arbitration award. Accordingly, the ultimate outcome of the business tax assessment sent by the MIRA cannot be determined and hence, the effect on the financial statements is uncertain. Accordingly, the Group has not made any provision in these consolidated financial statements. Our opinion is not modified in respect of this matter.

The above matter has also been reported as an emphasis of matter in the audit report dated 5 March 2021 issued by other firm of chartered accountants on the standalone financial statements of GMIAL for the year ended 31 December 2020.

7. We draw attention to note 48(ii) to the accompanying consolidated financial statements in relation to the recoverability of sale consideration receivable as at 31 March 2021 amounting to ₹ 741.50 crore pursuant to the sale of equity stake and inter-corporate deposits given to Kakinada SEZ Limited ('KSEZ') which is dependent on the achievement of the milestones as detailed in the aforementioned note. Such, achievement of milestones is significantly dependent on future development in the Kakinada SEZ and basis independent assessment by property consultancy agency, management is confident of achieving such milestones and is of the view that no adjustment to the aforesaid balance is required to be made in the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

9. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">1. Assessment of going concern basis (refer note 1.1 to the accompanying consolidated financial statements)</td></tr>
<tr><td>The Group has incurred loss before tax amounting to ₹ 3,690.18 crore for the year ended 31 March 2021 with a consequent lower credit rating of some of its borrowings. Further, as disclosed in note 52(c), the Group has financial liabilities of ₹ 12,005.48 crore to be settled within one year from 31 March 2021. While the above factors indicated a need to assess the Group's ability to continue as a going concern, as mentioned in aforesaid note, the Group has taken into consideration the following mitigating factors in its assessment for going concern basis of accounting.
• Additional funds to be obtained through various funding alternatives
• Funds to be received from disposal of Kakinada SEZ and Krishnagiri
• Recovery of receivables from group companies
Management has prepared future cash flow forecasts taking into cognizance the above developments and performed sensitivity analysis of the key assumptions used therein to assess whether the Group would be able operate as a going concern for a period of at least 12 months from the date of financial statements and concluded that the going concern basis of accounting used for preparation of the accompanying consolidated financial statements is appropriate with no material uncertainty.
We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the consolidated financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and determination of the overall conclusion by the management.</td><td>Our audit procedures included but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:
• Obtained an understanding of the management's process for identifying all the events or conditions that could impact the Group's ability to continue as a going concern and the process followed to assess the mitigating factors for such events or conditions. Also, obtained an understanding around the methodology adopted and the associated controls implemented by the Group to assess their future business performance to prepare a robust cash flow forecast;
• Reconciled the cash flow forecast to the future business plans of the Group as approved by the Board of Directors and considered the same for our assessment of the Group's capability to meet its financial obligation falling due within next twelve months;
• In order to corroborate management's future business plans and to identify potential contradictory information, we read the minutes of the Board of Directors and discussed the same with the management;
• Tested the appropriateness of key assumptions used by the management, including the impact of COVID-19 pandemic on such assumption, that had most material impact in preparation of the cash flow forecast such as expected realization from proceeds on account of divestment of stake in certain entities, realization from various claims in investee entities and evaluation of the expected outflow on account of debt repayments;
• Performed independent sensitivity analysis to test the impact of variation on the cash flows due to change in key assumptions; and
• Assessed the appropriateness and adequacy of the disclosures made in the consolidated financial statements in respect of going concern.</td></tr>
<tr><td colspan="2">2. Utilisation of Minimum Alternate Tax ('MAT') Credit (refer note 2.2(i) for the accounting policy and note 37(a) for the disclosures of the accompanying consolidated financial statements)</td></tr>
<tr><td>The Group has accumulated MAT credit entitlement of ₹ 516.00 crore as at 31 March 2021, accounted primarily in GMR Hyderabad International Airport Limited ('GHIAL') amounting to ₹ 457.28 crore and in the Holding Company amounting to ₹ 58.72 crore. GHIAL is under tax holiday period upto financial year 2021-22 and the utilization of MAT credit depends on the ability of the respective entities to earn adequate tax profits.
In order to assess the utilization of MAT credit, the respective entities have prepared revenue and profit projections which involves judgements and estimations such as estimating aeronautical tariff [which is determined by Airport Economic Regulatory Authority ("AERA")] for GHIAL, revenue growth, profit margins, tax adjustments under the Income Tax, 1961.
As aforesaid, the recognition of a deferred tax asset in the form of MAT credit is based on management's estimate of taxable and accounting profits in future, which are underpinned by the management's input of key variables and market conditions including the tariff determined by AERA for the second control period in case of GHIAL and tax adjustments required to be made in the taxable profit computations, as per the provisions of Income Tax Act, 1961 (IT Act). The forecasted profit has been determined using estimations of projected income and expenses of the respective businesses.</td><td>Our audit procedures, including those performed in our joint audit of GHIAL conducted with M/s K S Rao and Co., with respect to MAT credit entitlements included, but were not limited to the following:
• Assessed and tested the design and operating effectiveness of the management's controls over recognition of the MAT credit;
• Obtained and updated understanding of the management's process of computation of future accounting and taxable profits of the Group, and expected utilization of available MAT credit within specified time period as per provision of the IT Act;
• Reconciled the business results projections to the future business plans approved by the Holding Company's and GHIAL's board of directors;</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Recognition of MAT credit asset requires significant judgement regarding the likelihood of its realization with-in the specified period through estimation of future taxable profits of the respective companies and consequently there is a risk that the MAT credit asset may not be realized within the specified period, if these projections are not met. Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgment involved in the determination of utilization of MAT credit through estimation of future taxable profits and projected revenue, this matter has been determined as a key audit matter for current year audit.	• Challenged the management's assessment of underlying assumptions, including the impact of COVID-19, used for the business results; projections including expected capacity expansion and utilization, implied growth rates and expected prices considering evidence available to support these assumptions, based on our knowledge of the industry, publicly available information and Group's strategic plans; • Performed an independent sensitivity analysis in respect of the key assumptions such as growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the timing of reversal of unabsorbed depreciation and unabsorbed business losses and utilization of MAT credit; • Tested the computations of future taxable profits, including testing of the adjustments made in such computations with respect to tax allowed and tax-disallowed items, other tax rebates and deductions available to the respective company, and tested the computation of MAT liability in such future years, in accordance with the provisions of the IT Act; • Tested the mathematical accuracy of management's projections and tax computations. Based on aforesaid computations, assessed the appropriateness of management's estimate of likelihood of utilization of MAT credit within the time period specified and in accordance with the provisions of the IT Act; and • Assessed the appropriateness and adequacy of the disclosures related to MAT credit in the consolidated financial statements in accordance with the applicable accounting standards.
3. Valuation of Derivative Financial Instruments and Application of Hedge Accounting in relation to Delhi International Airport Limited / GMR Hyderabad International Airport Limited (refer note 2.2(x) for accounting policy and note 51 for disclosures of the accompanying consolidated financial statements)	
The Group has entered into derivative financial instruments i.e. call spread options coupon only hedge and had purchased derivative financial instruments, i.e. cross currency swap, coupon only swap and call spread options, to hedge its foreign currency risks in relation to the long-term bonds issued in foreign currency in GHIAL and Delhi International Airport Limited ('DIAL') respectively. Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge relationship as per Ind AS 109, Financial Instruments. The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculates the related valuations at each financial reporting date. Since valuation of hedging instruments and consideration of hedge effectiveness involves both significant assumptions and judgements such as discount rates, forward exchange rates, future interbank rates and involvement of management's expert, and therefore, is subject to an inherent risk of error.	Our audit procedures, including those performed in our joint audit of DIAL and GHIAL conducted with M/s K S Rao and Co., with respect to assess hedge accounting test the and valuation of the derivative financial instruments included but were not limited to the following: • Assessed and tested the design and operating effectiveness of management's key internal controls over derivative financial instruments and the related hedge accounting; • Reviewed the management's documentation for the designated hedge instrument which defines the nature of hedge relationship; • Considered the consistent application of the accounting policies and assessed the hedge accounting methodologies applied; and compared these to the requirements of Ind AS 109, Financial Instruments;

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>We have determined the valuation of hedging instruments as a key audit matter in view of the significant judgements, estimates and complexity involved.</td><td>• Evaluated the management's valuation specialist's professional competence, expertise and objectivity;
• Tested the accuracy of input data provided by the management to the external valuation specialist and assessed the reasonability of the assumptions used, while valuing the hedging instruments;
• Involved our valuation specialists to test the fair values of derivative financial instruments and compared the results to the management's results; and
• Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</td></tr>
<tr><td colspan="2">4. Evaluation and disclosure of accrual estimates for legal claims, litigation matters and contingencies (refer note 2.2(u) for accounting policy and 41(c) for disclosures of the accompanying consolidated financial statements)</td></tr>
<tr><td>The Group has ongoing litigations with various authorities and third parties which could have a significant impact on the consolidated financial statements, if the potential exposures were to materialize. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. Claims against the Group are disclosed in the consolidated financial statements by the Group.

We have determined the evaluation and disclosure for litigations matters and contingencies as a key audit matter because the outcome of such legal claims and litigation is uncertain and the position taken by management involves significant judgments and estimations to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings.

Considering the aforementioned matter is fundamental to the understanding of the users of the consolidated financial statements, we further draw attention to the following specific matters involving significant litigations and contingencies:

a. Note 47(i) to the accompanying consolidated financial statements relating to certain claims and counter claims filed by GMR Power Corporation Limited ('GPCL'), (an erstwhile step down subsidiary of the Holding Company, now merged with GMR Generation Assets Limited ('GGAL'), a subsidiary of the Holding Company vide National Company Law Tribunal ('NCLT') order dated 13 March 2020) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) which are pending before the Tamil Nadu Electricity Regulatory Commission as directed by the Supreme Court. Based on its internal assessment and legal opinion, pending final outcome of the litigation, the management is of the view that no adjustments are required to be made to the accompanying consolidated financial statements for the aforesaid matter.

The above matter is also reported as an emphasis of matter in the audit report dated 1 June 2021 issued by another firm of chartered accountants on the standalone financial statements of GGAL for the year ended 31 March 2021. Further, considering the erosion of net worth and net liability position of GGAL, the auditor has also given a separate section on the material uncertainty relating to going concern in their audit report.</td><td>Our audit procedures in relation to the assessment of legal claims, litigation matters and contingencies included but were not limited to the following:
• Obtained an understanding of management's process and evaluated design, implementation and operating effectiveness of management's key internal controls over assessment of legal claims, litigations and various other contingencies and completeness of disclosures;
• Obtained and read the summary of litigation matters provided by management, the supporting documentation on sample basis and held discussions with the management of the Group;
• For claims/matters/disputes settled during the year if any, we have read the related orders/directions issued by the courts/ settlement agreements in order to verify whether the settlements were appropriately accounted for/disclosed;
• Evaluated various legal opinions obtained by management and conducted a review of the assessment done by the management through internal and external tax and legal experts for the likelihood of contingencies and potential impact of various litigations and legal claims, examining the available supporting documents;
• Involved auditor's experts to assess relevant judgements passed by the appropriate authorities in order to assess the basis used for the accounting treatment and resulting disclosures for entities audited by us;
• Assessed the financial statements of the components with regards to the disclosures pertaining to the various legal claims, litigation matters and contingencies; and
• Assessed the appropriateness and adequacy of the related disclosures in note 41(c) to the consolidated financial statements in accordance with the requirements of applicable accounting standards.</td></tr>
</table>

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>b. Note 45(iii) to the accompanying consolidated financial statements, which describes the uncertainty relating to the outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF (SC) Fund upto 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation.

The above matter has also been reported as an emphasis of matter in the audit report dated 28 April 2021 issued by us along with other joint auditor on the standalone financial statements for the year ended 31 March 2021 of GHIAL, a step-down subsidiary of the Holding Company.</td><td></td></tr>
<tr><td colspan="2">5. Revenue recognition and measurement of upfront losses on long-term construction contracts (refer note 2.2(f) for the accounting policy and note 24 for disclosures of the accompanying consolidated financial statements)</td></tr>
<tr><td>For the year ended 31 March 2021, the Holding Company has recognized revenue from Engineering, procurement and construction (EPC) contracts of ₹ 1,055.20 crore and has accumulated provisions for upfront losses amounting to ₹ 28.60 crore as at 31 March 2021.

The Holding Company's revenue primarily arises from construction contracts, which is recognised over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contract with Customers, as further explained in note 2.2(f) to the accompanying consolidated financial statements, and which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.

The Holding Company recognises revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract.

The recognition of contract revenue, contract costs and the resultant profit/ loss therefore rely on the estimates in relation to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins/ onerous obligations.

Owing to these factors, we have determined revenue recognition and provision for upfront losses from EPC contracts as a key audit matter for the current year audit.</td><td>Our audit procedures for recognition of contract revenue, margin and contract costs, and related receivables and liabilities included, but were not limited to, the following:

• Evaluated the appropriateness of the Holding Company's accounting policy for revenue recognition from construction contracts in accordance with Ind AS 115, 'Revenue from Contracts with Customers;

• Assessed the design and implementation of key controls, over the recognition of contract revenue and margins, and tested the operating effectiveness of these controls;

• For a sample of contracts, we have tested the appropriateness of amount recognized as revenue by evaluating key management judgements inherent in the determining forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method by performing following procedures:

- reviewed the contract terms and conditions;

- evaluated the identification of performance obligation of the contract;

- evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method;

- obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete;

- assessed management's estimates of the impact to revenue and budgeted costs arising from scope changes made to the original contracts, claims, disputes and liquidation damages with reference to supporting documents including variation orders and correspondence between the Holding Company and the customers; and

• Assessed the appropriateness and adequacy of disclosures made by the management with respect to revenue recognised during the year in accordance with applicable accounting standards.</td></tr>
</table>

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">6. Impairment testing carried out for carrying value of investments in joint venture and associates and carriage-ways grouped under other intangible assets of the Group (refer note 8a, 8b, and 7 to the accompanying consolidated financial statements other than those referred in basis of qualified opinion paragraph 3 above)</td></tr>
<tr><td>
The Group has total investments in joint ventures and associates amounting to ₹ 6,400.33 crore and carriage-ways grouped under other intangible assets amounting to ₹ 2,261.18 crore. The aforementioned investments and intangible assets are accounted for in accordance with Ind AS 27, Separate Financial Statements and Ind AS 38, Intangible Assets, respectively.
The Group assesses these investments and assets for impairment when impairment indicators exist by comparing the recoverable amount (determined as the higher of fair value less costs of disposal and value in use) with the carrying amount of the respective assets as on the reporting date. The value in use is computed using the Discounted Cash Flow Model ('DCF') model.
The determination of recoverable amounts of the carrying value of these investments in joint venture and associates and carriage-ways grouped under other intangible assets of the Group relies on various management estimates of future cash flows and their judgment with respect to the following:
Investments in joint venture and associates:
a. In case of investments in entities in the energy business, cash flow projections are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc.
b. In case of investments in airport entities, cash flow projections are based on estimation of passenger traffic, conclusion of tariff rates rates per acre/hectre for lease rentals from Commercial Property Developers, passenger penetration rates and favourable outcomes of litigations etc.
Carrying values of carriage-ways grouped under other intangible assets – In case of investments in carriage-ways, cash flow projections are based on assumptions relating to periodic major maintenance by using a model that incorporates a number of assumptions, including the life of the concession agreement, annual traffic growth and the expected cost of the periodic major maintenance which are considered as reasonable by the management and also consider favourable outcomes of litigations etc. in the carriage-ways business.
The key assumptions underpinning management's assessment of the recoverable amount further include, but are not limited to, projections of growth rates, discount rates, estimated future operating and capital expenditure. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of investments in joint venture and carriage-ways grouped under other intangible. Complexity involved in such assumptions and estimates increased in the current year due to the impact of COVID-19 pandemic outbreak on the Group's operations as disclosed in Note 54 to the accompanying consolidated financial statements.
Considering the significance of the amounts involved and auditor attention required to test the appropriateness of the accounting estimates that involves high estimation uncertainty and significant management judgement, this matter has been determined as a key audit matter for current year's audit.
</td><td>
Our audit procedures with respect to assessment of impairment loss on carrying value of investments in joint venture and associates and carriage-ways grouped under other intangible assets of the Group included but not limited to the following:

Obtained an understanding of the management's process for identifying impairment indicators as well as determining the appropriate methodology to carry out impairment testing for the carrying value of investments in accordance with the requirements of Ind AS 36, Impairment of Assets;
Evaluated the Group's valuation methodology in determining the value-in-use and fair value to estimate the recoverable value of such investments. In making this assessment, we also assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;
Involved auditor's valuation specialists to assess the appropriateness of the value-in-use and fair value determined by the management and to test reasonability of the key assumptions used in the cash flow forecasts such as growth rates during the explicit period, terminal growth rate and the discount rate including the impact of COVID-19 on such assumptions;
We have carried out discussions with management on the performance of these investments as compared to previous year in order to evaluate whether the inputs and assumptions used in the aforesaid cash flow forecasts were suitable;
Discussed the significant ongoing litigations in these entities which had a material impact to ascertain the appropriateness of the outcome considered in the respective valuation models;
Tested the arithmetical accuracy of the calculations performed by the management expert; and
Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the requirements of relevant accounting standards.

</td></tr>
<tr><td></td><td></td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Considering the matter is fundamental to the understanding of the users of the accompanying consolidated financial statements we further draw attention to: a. Note 8b(12)(i) and 8b(13)(v) to the accompanying consolidated financial statements which is in addition to the matters described in paragraph 3 above, regarding the investment made by the Group in GEL amounting to ₹ 1,272.32 crore as at 31 March 2021. The recoverability of such investment is further dependent upon various claims, counter claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 March 2021, and certain other key assumptions as considered in the valuation performed by an external expert, including capacity utilization of plant in future years, management's plan for entering into a new long-term power purchase agreement ('PPA') to replace the PPA expired in June 2020 with one of its customers and the pending outcome of the debt resolution plan being discussed with the lenders of GWEL, as explained in the said note. The above claims also include recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL amounting to ₹ 611.58 crore for the period from 17 March 2014 to 31 March 2021, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015 which is currently contested by MSEDCL in the Supreme Court as described in aforesaid note. The management of the Holding Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Group in GEL, taking into account the matters described above in relation to the investments made by GEL in its aforementioned subsidiary, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying consolidated financial statement for the year ended 31 March 2021. The above matters with respect to GWEL are also reported as emphasis of matter in the audit report dated 4 June 2021 issued by other firm of chartered accountants on the standalone financial statements of GWEL for the year ended 31 March 2021. Further, a separate section on material uncertainty of going concern has also been reported in the auditor's report issued by another firm of chartered accountants on the standalone financial statements of GWEL and in the audit report issued by us on the standalone financial statement of GEL vide our report dated 8 June 2021, for the year ended 31 March 2021. b. Note 46(i) and 46(ii) to the accompanying consolidated financial statements which relates to the ongoing arbitrations with National Highways Authority of India (NHAI) for compensation of losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), step-down subsidiaries of the Holding Company, since the commencement of commercial operations. Pending outcome of the aforementioned arbitration proceedings, GHVEPL has not paid to NHAI an amount of ₹ 793.38 crore as at 31 March 2021 towards additional concession fee along with interest thereon.	

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Further, GACEPL's claim for compensation of losses has been rejected by majority decision by the Arbitration Tribunal and the management has filed an appeal with the Hon'ble High Court of Delhi which has admitted the application for claim for compensation of losses and dismissed the application for stay on payment of negative grant. GACEPL has further filed a special leave petition before the Supreme Court for seeking an interim relief on payment of negative grant. Pending disposal of such petition, GACEPL has not provided for interest on the negative grant amounting to ₹ 60.33 crore in the accompanying consolidated financial statements.

Further, based on management's internal assessment of compensation inflows, external legal opinions and valuation performed by independent experts, the management is of the view that the recoverable amounts of the carriageways of GACEPL and GHVEPL is assessed to be in excess of the respective carrying values amounting ₹ 338.18 crore and ₹ 1,923.00 crore as at 31 March 2021. Currently, useful life of 25 years has been considered in arriving at the carrying value and amortisation of carriageways of GHVEPL, on the basis of management's plan to develop the six-lane project within the contractually stipulated timelines ending in April 2024. This useful life is subject to the outcome of the dispute between GHVEPL and NHAI in relation to the restriction of concession period by NHAI to 15 years and withdrawal of six laning of the highway project, in which case the useful life will need to be revised. The management has obtained a legal opinion and is of the view that the original contractual term of 25 years is likely to be enforced and accordingly, no adjustments to the accompanying consolidated financial statements are considered necessary.

The above matters have also been reported as an emphasis of matters in the audit reports dated 9 June 2021 and 7 June 2021 issued by other firms of chartered accountants on the standalone financial statements of the GACEPL and GHVEPL, respectively, for the year ended 31 March 2021. Further, considering the erosion of net worth and net liability position of these entities, such auditors have also given a separate section on the material uncertainty relating to going concern in their respective audit reports.</td><td></td></tr>
<tr><td colspan="2">7. Significant additions to Capital assets in DIAL/GHIAL (refer note 2.2(k) for accounting policy and note 3 for disclosures of the accompanying consolidated financial statements)</td></tr>
<tr><td>GHIAL is in the process of expansion of the Rajiv Gandhi International Airport while DIAL is in the process of expansion of the Indira Gandhi International Airport and have incurred ₹ 2,770.31 crore as capital expenditure in the current year towards such expansion plans as further explained in note 3 to the accompanying consolidated financial statements.

Determining whether expenditure meets the capitalization criteria, specifically with regard to whether they are operational or capital in nature, involves significant management judgement in assessing whether capitalization is in line with Ind AS 16, Property, Plant and Equipment and the Group's accounting policy.

Further, the tariff determination by AERA for control periods for the aeronautical services is linked to the Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Group, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy.</td><td>Our audit procedures including those performed in our joint audit of DIAL and GHIAL conducted with M/s K S Rao and Co., with respect to appropriate capitalization of such expenditure included, but were not limited to the following:
• Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs;
• Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment;
• Compared the additions with the budgets and the orders given to the vendors;
• Ensured that the borrowing cost capitalized is as per Ind AS 23, Borrowing Costs;
• Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per respective company's accounting policy; and</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Further, the aforementioned capital expenditure has been funded from the specific borrowings raised for such purpose. Accordingly, the borrowing cost incurred on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs. This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs (including borrowing costs) that are eligible for capitalisation are appropriately capitalised in accordance with the recognition criteria provided in Ind AS 16 and Ind AS 23.	• Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements
8. Monthly Annual Fee payable to Airport Authority of India (AAI) (Refer to Note 45(viii) for the financial disclosures in the accompanying consolidated financial statements)	
DIAL have ongoing litigation/arbitration proceedings with Airport Authority of India (AAI) in respect of Monthly Annual Fee (MAF) for the period 1 April 2020 to 31 March 2021 for which DIAL has sought to be excused from making payment to AAI as triggered from a force majeure event, which could have a significant impact on the accompanying consolidated financial statements, if the potential exposure were to materialize. Further, the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. The outcome of such litigation/arbitration proceedings is currently uncertain and the aforesaid assessment requires significant judgement by the management including interpretation of legal rights and obligations arising out of the underlying Operation, Management and Development Agreement dated 4 April 2006 entered with AAI, which required involvement of both management's and auditor's experts. Accordingly, this matter has been determined as a key audit matter for current year audit. The above matter is also considered fundamental to the understanding of the users of the accompanying consolidated financial statements on account of the uncertainties relating to the future outcome of the proceedings/ litigation.	Our audit procedures including those performed in our joint audit of DIAL conducted with M/s K S Rao and Co., in relation to the assessment of ongoing litigation/arbitration proceedings in relation to MAF fee included but were not limited to the following: • Obtained an understanding of management's process and evaluated design, implementation and operating effectiveness of management's key internal controls over assessment of litigations/ arbitration proceedings and determination of appropriate accounting treatment in accordance with the requirements of Ind AS 37, Provisions, Contingent liabilities and Contingent Assets; • Obtained and read the summary of litigation involved in respect of MAF payable, the supporting documentation including communications exchanged between the parties, and held discussions with the management of DIAL to understand management's assessment of the matter; • Evaluated the legal opinions obtained by the management from its internal and external legal experts on the likelihood of the outcome of the said contingencies and potential impact of ongoing litigation/ arbitration proceedings and amount paid under protest, basis our understanding of the matter obtained as above, and held further discussions, as required, with such experts to seek clarity of their legal assessments; and • Involved independent auditor's experts to validate the assessment of the likelihood of the outcome of contingencies and potential impact of ongoing litigation/ arbitration proceedings and amount paid under protest in order to assess the basis used for determination of appropriateness of the accounting treatment and resulting disclosures in the consolidated financial statements in accordance with the requirements of applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

10. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance, Directors' Report, etc., but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

    Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

    In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

    When we read these reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

11. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

12. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

13. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

15. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period

and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

19. We have jointly audited with another auditor, the financial statements and other financial information of 2 subsidiaries, whose financial statement reflects (before adjustments for consolidation) total assets of ₹ 30,482.88 crore and net assets of ₹ 4,687.82 crore as at 31 March 2021, total revenues (including other income) of ₹ 3,106.70 crore, total net loss after tax of ₹ 468.47 crore, total comprehensive loss of ₹ 375.73 crore, and net cash inflows of ₹ 1,704.76 crore for the year ended on that date, as considered in the consolidated financial statements. For the purpose of our opinion on the consolidated financial statements, we have relied upon the work of such other auditor, to the extent of work performed by them.

20. We did not audit the financial statements of 77 subsidiaries and 1 joint operation (including 13 subsidiaries consolidated for the year ended 31 December 2020, with a quarter lag, and 1 joint operation consolidated for the year ended 31 December 2020, with a quarter lag), whose financial statements reflects (before adjustments for consolidation) total assets of ₹ 29,525.91 crore and net assets of ₹ 2,530.23 crore as at 31 March 2021, total revenues (including other income) of ₹ 5,631.96 crore and net cash outflows amounting to ₹ 36.35 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 64.14 crore for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 3 associates and 47 joint ventures (including 27 joint ventures consolidated for the year ended 31 December 2020, with a quarter lag), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint operation, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint operation, associates and joint ventures, are based solely on the reports of the other auditors.

    Further, of these subsidiaries, joint operation, associates and joint ventures, 13 subsidiaries, 1 joint operation and 31 joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

21. We did not audit the financial information of 10 subsidiaries (including 7 subsidiaries consolidated for the year 31 December 2020, with a quarter lag), whose financial information (before adjustments for consolidation) reflects total assets of ₹ 68.36 crore and net assets of ₹ 67.96 crore as at 31 March 2021, total revenues (including other income) of ₹ 2.52 crore and net cash inflows amounting to ₹ 0.00 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 2.51 crore for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 4 joint ventures (including 3 joint ventures consolidated for year ended 31 December 2020, with a quarter lag), whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

22. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 22, on separate financial statements of the subsidiaries, associates, joint ventures, we report that the Holding Company, 16 subsidiary companies and 7 joint venture companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 4 subsidiary company, 4 associate companies and 4 joint venture companies covered under the Act, since none of these companies is a public company as defined under section 2(71) of the Act. Further, we report that 48 subsidiary companies, 1 associate companies and 7 joint venture companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies/ associate companies/ joint venture companies. Further, as stated in paragraph 23, financial statements of 3 subsidiary companies and 1 joint venture company covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies/ joint venture companies.

23. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent

applicable, that:

a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the effects/ possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section with respect to the consolidated financial statements;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) the matters described in paragraph 5, 6 and 7 of the Emphasis of Matters section, emphasis of matters reported in sr. no 4(a), 4(b), 6(a), 6(b) and 8 of the Key audit matters section in paragraph 9 above and paragraph 3 of the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Group, its associates and joint ventures;

f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

g) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section;

h) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and

i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:

   i. except for the effects/possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as at 31 March 2021, as detailed in Note 8a, 8b, 41, 44, 45, 46, 47 and 48 to the consolidated financial statements;

   ii. except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section, provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 24 to the consolidated financial statements;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies during the year ended 31 March 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok& Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191
UDIN: 21062191AAAAIN5325

Place: New Delhi
Date: 18 June 2021

Annexure 1

List of entities included in the Consolidated Financial Statements

S.No.	Name of the entity	Relation
1	GMR Infrastructure Limited (GIL)	Holding Company
2	GMR Energy Trading Limited (GETL)	Subsidiary
3	GMR Londa Hydropower Private Limited (GLHPPL)	Subsidiary
4	GMR Generation Assets Limited (GGAL)	Subsidiary
5	GMR Power Infra Limited (GPIL)	Subsidiary
6	GMR Highways Limited (GMRHL)	Subsidiary
7	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	Subsidiary
8	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	Subsidiary
9	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	Subsidiary
10	GMR Pochanpalli Expressways Limited (GPEL)	Subsidiary
11	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	Subsidiary
12	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	Subsidiary
13	GMR Hyderabad International Airport Limited (GHIAL)	Subsidiary
14	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
15	GMR Aerostructure Services Limited (GASL)	Subsidiary
16	GMR Hyderabad Aerotropolis Limited (GHAL)	Subsidiary
17	GMR Hyderabad Aviation SEZ Limited (GHASL)	Subsidiary
18	GMR Air Cargo and Aerospace Engineering Limited (GACAEL) (formerly GMR Aerospace Engineering Limited (GAEL))	Subsidiary
19	GMR Aero Technic Limited (GATL)	Subsidiary
20	GMR Airport Developers Limited (GADL)	Subsidiary
21	GMR Hospitality and Retail Limited (GHRL)	Subsidiary
22	GMR Hyderabad Airport Power Distribution Limited (GHAPDL) (liquidated on 13 March 2021)	Subsidiary
23	Delhi International Airport Limited (DIAL)	Subsidiary
24	Delhi Aerotropolis Private Limited (DAPL)	Subsidiary
25	Delhi Airport Parking Services Private Limited (DAPSL)	Subsidiary
26	GMR Airports Limited (GAL)	Subsidiary
27	GMR Aviation Private Limited (GAPL)	Subsidiary
28	GMR Krishnagiri SIR Limited (GKSIR)	Subsidiary
29	Advika Properties Private Limited (APPL)	Subsidiary
30	Aklima Properties Private Limited (AKPPL)	Subsidiary
31	Amartya Properties Private Limited (AMPPL)	Subsidiary
32	Baruni Properties Private Limited (BPPL)	Subsidiary
33	Bougainvillea Properties Private Limited (BOPPL)	Subsidiary
34	Camelia Properties Private Limited (CPPL)	Subsidiary
35	Deepesh Properties Private Limited (DPPL)	Subsidiary
36	Eila Properties Private Limited (EPPL)	Subsidiary
37	Gerbera Properties Private Limited (GPL)	Subsidiary
38	Lakshmi Priya Properties Private Limited (LPPPL)	Subsidiary
39	Honeysuckle Properties Private Limited (HPPL)	Subsidiary
40	Idika Properties Private Limited (IPPL)	Subsidiary
41	Krishnapriya Properties Private Limited (KPPL)	Subsidiary
42	Larkspur Properties Private Limited (LAPPL)	Subsidiary
43	Nadira Properties Private Limited (NPPL)	Subsidiary
44	Padmapriya Properties Private Limited (PAPPL)	Subsidiary

S.No.	Name of the entity	Relation
45	Prakalpa Properties Private Limited (PPPL)	Subsidiary
46	Purnachandra Properties Private Limited (PUPPL)	Subsidiary
47	Shreyadita Properties Private Limited (SPPL)	Subsidiary
48	Pranesh Properties Private Limited (PRPPL)	Subsidiary
49	Sreepa Properties Private Limited (SRPPL)	Subsidiary
50	Radhapriya Properties Private Limited (RPPL)	Subsidiary
51	Asteria Real Estates Private Limited (AREPL)	Subsidiary
52	Lantana Properties Private Limited (LPPL)	Subsidiary
53	Namitha Real Estates Private Limited (NREPL)	Subsidiary
54	Honey Flower Estates Private Limited (HFEPL)	Subsidiary
55	GMR SEZ and Port Holdings Limited (GSPHL)	Subsidiary
56	Suzone Properties Private Limited (SUPPL)	Subsidiary
57	GMR Utilities Private Limited (GUPL) (liquidated on 9 October 2020)	Subsidiary
58	Lilliam Properties Private Limited (LPPL)	Subsidiary
59	GMR Corporate Affairs Private Limited (GCAPL)	Subsidiary
60	Dhruvi Securities Private Limited (DSPL)	Subsidiary
61	Kakinada SEZ Limited (KSL) (disposed off on 30 March 2021)	Subsidiary
62	GMR Business Process and Services Private Limited (GBPSPL)	Subsidiary
63	Raxa Security Services Limited (RSSL)	Subsidiary
64	Kakinada Gateway Port Limited (KGPL) (disposed off on 30 March 2021)	Subsidiary
65	GMR Goa International Airport Limited (GIAL)	Subsidiary
66	GMR Infra Developers Limited (GIDL)	Subsidiary
67	GMR Energy (Cyprus) Limited (GECL)	Subsidiary
68	GMR Energy (Netherlands) B.V. (GENBV)	Subsidiary
69	GMR Energy Projects (Mauritius) Limited (GEPML)	Subsidiary
70	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Subsidiary
71	GMR Coal Resources Pte Limited (GCRPL)	Subsidiary
72	GADL International Limited (GADLIL)	Subsidiary
73	GADL (Mauritius) Limited (GADLML) (liquidated on 25 December 2020)	Subsidiary
74	GMR Male International Airport Private Limited (GMIAL)	Subsidiary
75	GMR Airports (Mauritius) Limited (GAML)	Subsidiary
76	GMR Infrastructure (Mauritius) Limited (GIML)	Subsidiary
77	GMR Infrastructure (Cyprus) Limited (GICL)	Subsidiary
78	GMR Infrastructure Overseas Limited (GIOL)	Subsidiary
79	GMR Infrastructure (UK) Limited (GIUL)	Subsidiary
80	GMR Infrastructure (Global) Limited (GIGL)	Subsidiary
81	GMR Energy (Global) Limited (GEGL) (liquidated on 11 January 2021)	Subsidiary
82	Indo Tausch Trading DMCC (ITTD)	Subsidiary
83	GMR Infrastructure (Overseas) Limited (GI(O)L)	Subsidiary
84	GMR Airports International B.V (GIABV)	Subsidiary
85	GMR Airports (Singapore) Pte. Ltd. (GASPL)	Subsidiary
86	GMR Nagpur International Airport Limited (NIAL)	Subsidiary
87	GMR Power & Urban Infra Limited (GPUIL)	Subsidiary
88	GMR Kannur Duty Free Services Limited (GKDFRL)	Subsidiary
89	GMR Mining & Energy Private Limited (GMEL)	Subsidiary
90	GMR Airports Greece Single Member SA (GAGSMA) (from 13 January 2020)	Subsidiary
91	GMR Vishakhapatnam International Airport Limited (GVIAL) (from 19 May 2020)	Subsidiary
92	GMR Hyderabad Airport Assets Limited (GHAAL) (from 25 November 2020)	Subsidiary

S.No.	Name of the entity	Relation
93	Megawide GISPL Construction Joint Venture (MGCJV)	Joint Operation
94	GMR Energy Limited (GEL)	Joint venture
95	GMR Energy (Mauritius) Limited (GEML)	Joint venture
96	GMR Lion Energy Limited (GLEL)	Joint venture
97	Karnali Transmission Company Private Limited (KTCPL)	Joint venture
98	GMR Kamalanga Energy Limited (GKEL)	Joint venture
99	GMR Vemagiri Power Generation Limited (GVPGL)	Joint venture
100	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	Joint venture
101	GMR Consulting Services Limited (GCSPL)	Joint venture
102	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	Joint venture
103	GMR Warora Energy Limited (GWEL)	Joint venture
104	GMR Bundelkhand Energy Private Limited (GBEPL)	Joint venture
105	GMR Rajam Solar Power Private Limited (GRSPPL)	Joint venture
106	GMR Maharashtra Energy Limited (GMAEL)	Joint venture
107	GMR Gujarat Solar Power Limited (GGSPPL)	Joint venture
108	GMR Indo-Nepal Energy Links Limited (GINELL)	Joint venture
109	GMR Indo-Nepal Power Corridors Limited (GINPCL)	Joint venture
110	GMR Tenaga Operations & Maintenance Private Limited (GTOM)	Joint venture
111	Rampia Coal Mine and Energy Private Limited (RCMEPL)	Joint venture
112	GMR Upper Karnali Hydropower Limited (GUKPL)	Joint venture
113	Delhi Duty Free Services Private Limited (DDFS)	Joint venture
114	Laqshya Hyderabad Airport Media Private Limited (Laqshya)	Joint venture
115	Delhi Aviation Services Private Limited (DASPL)	Joint venture
116	Delhi Aviation Fuel Facility Private Limited (DAFF)	Joint venture
117	GMR Megawide Cebu Airport Corporation (GMCAC)	Joint venture
118	SSP Mactan Cebu Corporation (SMCC)	Joint venture
119	Mactan Travel Retail Group Corp. (MTRGC)	Joint venture
120	Limak GMR Construction JV (CJV)	Joint venture
121	Megawide GMR Construction Joint Venture, Inc (MGCJV, Inc)	Joint venture
122	PT Golden Energy Mines Tbk (PTGEMS)	Joint venture
123	PT Dwikarya Sejati Utma (PTDSU)	Joint venture
124	PT Duta Sarana Internusa (PTDSI)	Joint venture
125	PT Barasentosa Lestari (PTBSL)	Joint venture
126	PT Unsoco (PT)	Joint venture
127	PT Roundhill Capital Indonesia (RCI)	Joint venture
128	PT Borneo Indobara (BIB)	Joint venture
129	PT Kuansing Inti Makmur (KIM)	Joint venture
130	PT Karya Cemerlang Persada (KCP)	Joint venture
131	PT Bungo Bara Utama (BBU)	Joint venture
132	PT Bara Harmonis Batang Asam (BHBA)	Joint venture
133	PT Berkat Nusantara Permai (BNP)	Joint venture
134	PT Tanjung Belit Bara Utama (TBBU)	Joint venture
135	PT Trisula Kencana Sakti (TKS)	Joint venture
136	PT Era Mitra Selaras (EMS)	Joint venture
137	PT Wahana Rimba (WRL)	Joint venture
138	PT Berkat Satria Abadi (BSA)	Joint venture
139	GEMS Trading Resources Pte Limited (GEMSCR)	Joint venture
140	PT Kuansing Inti Sejahtera (KIS)	Joint venture

S.No.	Name of the entity	Relation
141	PT Bungo Bara Makmur (BBM)	Joint venture
142	PT GEMS Energy Indonesia (PTGEI)	Joint venture
143	PT Karya Mining Solution (KMS) (formerly PT Bumi Anugerah Semesta (BAS))	Joint venture
144	GIL SIL JV	Joint venture
145	GMR Logistics Park Private Limited (GLPPL) (wef 16 April 2020) (subsidiary uptil 16 April 2020)	Joint venture
146	Heraklion Crete International Airport S.A. (Crete)	Joint venture
147	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	Associate
148	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	Associate
149	TIM Delhi Airport Advertising Private Limited (TIM)	Associate
150	GMR Rajahmundry Energy Limited (GREL)	Associate
151	Digi Yatra Foundation (DYF)	Associate

Annexure I

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of GMR Infrastructure Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to consolidated financial statements as at 31 March 2021:

   The Holding Company's internal control system towards estimating the carrying value of investments in certain associates and joint ventures as more fully explained in note 8b(13)(i) to the consolidated financial statements were not operating effectively due to uncertainties in the judgments and assumptions made by the company in such estimations, which could result in the Group not providing for adjustment, if any, that may be required to the carrying values of investments and further provisions, if any, required to be made for the obligations on behalf of those entities and its consequential impact on the accompanying consolidated financial statements.

The report on internal financial controls with reference to financial statements of a joint venture company, GMR Energy Limited, is also qualified with respect to the above matter, issued by us vide our audit report dated 8 June 2021.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Group have, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2021.

    We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidate financial statements of the Group as at and for the year ended 31 March 2021, and the material weakness have affected our opinion on the consolidated financial statements of the Holding Company and we have issued a modified opinion on the consolidated financial statements.

Other Matter

11. We have jointly audited with another auditor, the financial statements and other financial information of 2 subsidiaries, whose financial statement reflects (before adjustments for consolidation) total assets of ₹ 30,482.88 crore and net assets of ₹ 4,687.82 crore as at 31 March 2021, total revenues (including other income) of ₹ 3,106.70 crore, and cash inflows (net) amounting to ₹ 1,704.76 crore for the year ended on that date, as considered in the consolidated financial statements. For the purpose of our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, we have relied upon the work of such other auditor, to the extent of work performed by them.

12. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 64 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 17,735.68 crore and net assets of ₹ 1,242.19 crore as at 31 March 2021, total revenues (including other income) of ₹ 4,056.73 crore and net cash inflows amounting to ₹ 3.67 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 210.47 crore for the year ended 31 March 2021, in respect of 3 associate companies and 16 joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, associate companies and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate companies and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

13. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiaries, which are companies covered under the Act, whose financial information reflect total assets of ₹ 0.00 crore and net assets of ₹ (0.06) crore as at 31 March 2021, total revenues (including other income) of ₹ 0.00 crore and net cash inflows amounting to ₹ 0.00 crore for the year ended on that date; and 1 joint venture companies, which are companies covered under the Act, in respect of which, the Group's share of net profit (including other comprehensive income) of ₹ 0.00 crore for the year ended 31 March 2021 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of these subsidiary companies and joint venture companies, which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint venture companies, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such companies. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group. Our report on adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Group does not include the internal financial controls with reference to financial statements assessment in respect of the aforesaid companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191
UDIN: 21062191AAAAIN5325

Place: New Delhi
Date: 18 June 2021

Consolidated Balance sheet as at March 31, 2021

Particulars	Notes	March 31, 2021 (₹ in crore)	March 31, 2020 (₹ in crore)
Assets			
Non-current assets			
Property, plant and equipment	3	9,021.22	9,379.68
Right of use asset	4	107.41	106.19
Capital work-in-progress	3	6,615.65	3,809.02
Investment property	5	534.51	3,491.28
Goodwill on consolidation	6	436.68	436.68
Other intangible assets	7	2,672.48	2,763.67
Intangible assets under development		6.27	2.45
Investments accounted for using equity method	8a, 8b	6,400.33	7,012.75
Financial assets			
Investments	8c	410.13	147.39
Trade receivables	9	147.50	109.86
Loans	10	1,528.86	447.73
Other financial assets	11	3,068.72	3,090.19
Non-current tax assets (net)		196.61	275.62
Deferred tax assets (net)	37	821.83	654.78
Other non-current assets	12	3,452.05	2,420.60
		35,420.25	**34,147.89**
Current assets			
Inventories	13	174.56	190.53
Financial assets			
Investments	14	2,863.40	2,959.12
Trade Receivables	9	1,145.58	1,423.84
Cash and cash equivalents	15	4,299.60	2,859.43
Bank balances other than cash and cash equivalents	15	2,113.67	1,589.34
Loans	10	713.28	916.98
Other financial assets	11	2,464.78	1,601.88
Other current assets	12	450.80	776.06
		14,225.67	**12,317.18**
Assets classified as held for sale	36	**314.35**	**61.73**
		14,540.02	**12,378.91**
Total assets		**49,960.27**	**46,526.80**
Equity and liabilities			
Equity			
Equity share capital	16	603.59	603.59
Other equity	17	(2,321.72)	(3,062.28)
Equity attributable to the equity holders of the parent		(1,718.13)	(2,458.69)
Non-controlling interests		3,036.69	2,674.58
Total equity		**1,318.56**	**215.89**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	30,990.20	26,521.90
Lease liabilities	42	110.24	105.24
Other financial liabilities	20	1,279.00	937.14
Provisions	21	81.51	105.83
Deferred tax assets (net)	37	117.13	225.04
Other non-current liabilities	22	1,937.62	2,004.52
		34,515.70	**29,899.67**
Current liabilities			
Financial liabilities			
Borrowings	23	1,282.61	1,630.87
Trade payables	19	2,459.58	2,071.63
Lease liabilities	42	12.01	10.13
Other current financial liabilities	20	8,252.43	10,289.49
Provisions	21	904.14	968.45
Other current liabilities	22	1,151.70	1,327.46
Current tax liabilities (net)		41.23	41.71
		14,103.70	**16,339.74**
Liabilities directly associated with assets classified as held for sale	36	**22.31**	**71.50**
		14,126.01	**16,411.24**
Total liabilities		**48,641.71**	**46,310.91**
Total equity and liabilities		**49,960.27**	**46,526.80**
Summary of significant accounting polices	2.2		

The accompanying notes are an integral part of the consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
ICAI Firm Registration No : 001076N/N500013
Chartered Accountants

Anamitra Das
Partner
Membership number: 062191

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of GMR Infrastructure Limited

G M Rao
Chairman
DIN: 00574243

Grandhi Kiran Kumar
Managing Director & Chief Executive Officer
DIN: 00061669

Saurabh Chawla
Chief Financial Officer

Venkat Ramana Tangirala
Company Secretary
Membership number: A13979

Date: June 18, 2021
Place: Counter Signed at Dubai and New Delhi

Consolidated statement of profit and loss for the year ended March 31, 2021

	Notes	March 31, 2021 (₹ in crore)	March 31, 2020 (₹ in crore)
Continuing operations			
Income			
Revenue from operations			
Revenue from contracts with customers	24	5,198.59	7,515.24
Other operating income	25	866.27	879.69
Finance income	26	164.52	160.61
Other income	27	634.08	666.59
Total income		**6,863.46**	**9,222.13**
Expenses			
Revenue share paid/payable to concessionaire grantors		484.87	2,037.19
Cost of material consumed	28	755.94	434.85
Purchase of traded goods	29	954.37	830.45
Decrease/(Increase) in stock in trade	30	16.55	(15.63)
Sub-contracting expenses		287.66	297.36
Employee benefit expense	31	754.64	831.21
Other expenses	32	1,896.64	1,511.55
Depreciation and amortisation expense	33	1,004.54	1,064.25
Finance cost	34	3,172.17	3,545.07
Total expenses		**9,327.38**	**10,536.30**
Loss before share of net loss of investments accounted for using equity method, exceptional items and tax from continuing operations		**(2,463.92)**	**(1,314.17)**
Share of net loss of investments accounted for using equity method (net)		(345.69)	(288.33)
Loss before exceptional items and tax from continuing operations		**(2,809.61)**	**(1,602.50)**
Exceptional items		(880.57)	(680.91)
Loss before tax from continuing operations		**(3,690.18)**	**(2,283.41)**
Tax expenses of continuing operations	37		
Current tax		34.50	155.44
Adjustments of tax relating to earlier periods		4.64	(3.82)
Deferred tax credit		(301.57)	(236.54)
Loss after tax from continuing operations		**(3,427.75)**	**(2,198.49)**
Discontinued operations			
Loss from discontinued operations before tax expenses	36	(0.02)	(3.70)
Tax expense of discontinued operations	37	-	-
Loss after tax from discontinued operations		**(0.02)**	**(3.70)**
Loss for the year (A)		**(3,427.77)**	**(2,202.19)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		104.05	(123.14)
Income tax effect		-	-
		104.05	**(123.14)**
Net movement on cash flow hedges		116.98	225.16
Income tax effect		25.97	72.30
Total		**91.01**	**152.86**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**195.06**	**29.72**

Consolidated statement of profit and loss for the year ended March 31, 2021

	Notes	March 31, 2021 (₹ in crore)	March 31, 2020 (₹ in crore)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on post employment defined benefit plans		3.22	(6.53)
Income tax effect		0.64	(0.96)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**2.58**	**(5.57)**
Other comprehensive income for the year, net of tax (B)		**197.64**	**24.15**
Loss for the year		**(3,427.77)**	**(2,202.19)**
Attributable to			
a) Equity holders of the parent		(2,797.27)	(2,429.38)
b) Non controlling interests		(630.50)	227.19
Other comprehensive income for the year		**197.64**	**24.15**
Attributable to			
a) Equity holders of the parent		139.64	(31.72)
b) Non controlling interests		58.00	55.87
Total comprehensive loss for the year (A+B)		**(3,230.13)**	**(2,178.04)**
Attributable to			
a) Equity holders of the parent		(2,657.63)	(2,461.10)
b) Non controlling interests		(572.50)	283.06
Earnings per equity share (₹) from continuing operations Basic and diluted, computed on the basis of profit from continuing operations attributable to equity holders of the parent (per equity share of Re.1 each)	35	(4.63)	(4.02)
Earnings per equity share (₹) from continuing and discontinued operations Basic and diluted, computed on the basis of profit attributable to equity holders of the parent (per equity share of Re.1 each)	35	-	(0.01)
Earnings per equity share (₹) from discontinued operations Basic and diluted, computed on the basis of profit from discont attributable to equity holders of the parent (per equity share of Re.1 each)	35	(4.63)	(4.03)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
ICAI firm registration number: 001076N/ N500013
Chartered Accountants

Anamitra Das
Partner
Membership number: 062191

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of GMR Infrastructure Limited

G. M. Rao
Chairman
DIN: 00574243

Grandhi Kiran Kumar
Managing Director & Chief Executive Officer
DIN: 00061669

Saurabh Chawla
Chief Financial Officer

Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979

Date: June 18, 2021
Place: Counter Signed at Dubai and New Delhi

Consolidated statement of changes in Equity for the year ended March 31, 2021

Consolidated statement of changes in Equity for the year ended March 31, 2021

Particulars	Attributable to the equity holders														Non-controlling interest (refer note 39)	Total equity
	Equity share capital (refer note 16)	Equity component of Optionally Convertible Debentures ('OCD') (refer note 17)	Treasury shares (refer note 17)	Reserves and surplus									Items of OCI			
				Securities premium (refer note 17)	Debenture redemption reserve (refer note 17)	Capital reserve on consolidation (refer note 17)	Capital reserve on acquisition (refer note 17)	Capital reserve on government grant (refer note 17)	Capital reserve on forfeiture (refer note 17)	Foreign currency monetary translation reserve (FCMTR) (refer note 17)	Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act (refer note 17)	Retained earnings (refer note 17)	Foreign Currency Translation Reserve (refer note 17)	Cash Flow Hedge Reserve (refer note 17)		
For the year ended March 31, 2021																
As at April 01, 2020	603.59	45.92	-	10,010.98	152.08	(162.27)	3.41	63.45	141.75	(248.40)	87.10	(13,230.50)	(40.85)	115.05	2,674.58	215.89
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	(2,797.27)	-	-	(630.50)	(3,427.77)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	0.38	99.85	39.41	58.00	197.64
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,796.89)**	**99.85**	**39.41**	**(572.50)**	**(3,230.13)**
Exchange difference on foreign currency convertible bond ('FCCB') recognised during the period	-	-	-	-	-	-	-	-	-	76.65	-	-	-	-	-	76.65
FCMTR amortisation during the year	-	-	-	-	-	-	-	-	-	(2.08)	-	-	-	-	-	(2.08)
Adjustment on account of transaction between shareholders (refer note 45(xiii))	-	-	-	-	-	-	-	-	-	-	-	3,313.03	-	-	984.74	4,297.77
Transfer on account of redemption of OCDs	-	(45.92)	-	-	-	-	-	-	-	-	-	45.92	-	-	-	-
Amount transferred from the consolidated statement of profit and loss	-	-	-	-	-	-	-	-	-	-	2.06	(2.06)	-	-	-	-
Transferred from Debenture Redemption Reserve	-	-	-	-	(59.49)	-	-	-	-	-	-	59.49	-	-	-	-
Adjustment due to disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39.54)	(39.54)
Adjustment on merger of subsidiaries (refer note 47(ii))	-	-	-	-	-	-	-	-	-	-	-	10.59	-	-	(10.59)	-
As at March 31, 2021	**603.59**	**-**	**-**	**10,010.98**	**92.59**	**(162.27)**	**3.41**	**63.45**	**141.75**	**(173.83)**	**89.16**	**(12,600.42)**	**59.00**	**154.46**	**3,036.69**	**1,318.56**
For the year ended March 31, 2020																
As at April 01, 2019	**603.59**	**45.92**	**(101.54)**	**10,010.98**	**187.42**	**(162.27)**	**3.41**	**63.45**	**141.75**	**(68.31)**	**66.59**	**(11,345.78)**	**84.24**	**17.42**	**1,695.02**	**1,241.89**
Profit/ (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	(2,429.38)	-	-	227.19	(2,202.19)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(4.26)	(125.09)	97.63	55.87	24.15
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,779.42)**	**(40.85)**	**115.05**	**1,978.08**	**(936.15)**
Exchange difference on foreign currency convertible bond ('FCCB') recognised during the year	-	-	-	-	-	-	-	-	-	(195.40)	-	-	-	-	-	(195.40)
FCMTR amortisation during the year	-	-	-	-	-	-	-	-	-	15.31	-	-	-	-	-	15.31
Adjustment of put option obligation for purchase of minority shareholding of GMR Airports Limited ('GAL')	-	-	-	-	-	-	-	-	-	-	-	996.20	-	-	-	996.20
Adjustment of receivable shown under current financial assets (refer note 45(xxv))	-	-	-	-	-	-	-	-	-	-	-	(3,560.00)	-	-	-	(3,560.00)
Adjustment on account of transaction between shareholders (refer note 45(xiii))	-	-	-	-	-	-	-	-	-	-	-	3,463.60	-	-	497.25	3,960.85
Buy back of Treasury shares (refer note 48(i))	-	-	101.54	-	-	-	-	-	-	-	-	(72.00)	-	-	-	29.54
Amount transferred from the consolidated statement of profit and loss	-	-	-	-	-	-	-	-	-	-	20.51	(20.51)	-	-	-	-
Transferred from Debenture Redemption Reserve	-	-	-	-	(35.34)	-	-	-	-	-	-	35.34	-	-	-	-
Adjustment on merger of subsidiaries (refer note 47(ii))	-	-	-	-	-	-	-	-	-	-	-	(274.24)	-	-	257.38	(16.86)
Preference share dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.34)	(50.34)
Dividend distribution tax on dividend declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(19.47)	-	-	(7.79)	(27.26)
As at March 31, 2020	**603.59**	**45.92**	**-**	**10,010.98**	**152.08**	**(162.27)**	**3.41**	**63.45**	**141.75**	**(248.40)**	**87.10**	**(13,230.50)**	**(40.85)**	**115.05**	**2,674.58**	**215.89**

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the consolidated financial statements
This is the consolidated statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP
ICAI firm registration number: 001076N/ N500013
Chartered Accountants

Anamitra Das
Partner
Membership number: 062191

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of GMR Infrastructure Limited

G. M. Rao
Chairman
DIN: 00574243

Grandhi Kiran Kumar
Managing Director & Chief Executive Officer
DIN: 00061669
Place: Dubai

Saurabh Chawla
Chief Financial Officer

Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979

Date: June 18, 2021
Place: Counter Signed at Dubai and New Delhi

Consolidated statement of cash flows for the year ended March 31, 2021

Particulars	March 31, 2021 (₹ in crore)	March 31, 2020 (₹ in crore)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss from continuing operations before tax expenses	(3,690.18)	(2,283.41)
Loss from discontinued operations before tax expenses	(0.02)	(3.70)
Loss before tax expenses	**(3,690.20)**	**(2,287.11)**
Adjustments:		
Depreciation of property, plant and equipment, investment property and amortization of intangible assets	1,004.54	1,064.25
Income from government grant	(5.27)	(5.28)
Adjustments to the carrying value of investments (net)	28.44	0.04
Provisions no longer required, written back	(41.83)	(111.73)
Loss on impairment of assets in subsidiaries / joint ventures and associates (net)	880.57	680.91
Unrealised exchange loss/(gains)	110.07	(104.58)
(Profit) /loss on sale/write off on Property, plant and equipment (net)	(60.86)	1.90
Provision / write off of doubtful advances and trade receivables	494.51	29.06
Reversal for upfront loss on long term construction cost	(24.28)	(95.05)
Interest expenses on financial liability carried at amortised cost	80.58	93.42
Deferred income on financial liabilities carried at amortized cost	(112.81)	(107.76)
Gain on fair value of investment (net)	(141.15)	(64.30)
Finance costs	3,091.59	3,545.07
Finance income	(323.63)	(404.66)
Gain on fair valuation of derivative instrument	-	(0.99)
Share of loss of associates and joint ventures (net)	345.69	288.33
Operating profit before working capital changes	**1,635.96**	**2,521.52**
Working capital adjustments:		
Change in trade payables and financial/other liabilities and provisions	169.08	469.33
Change in non-current/current financial and other assets	(1,841.01)	(1,453.87)
Cash (used in)/generated from operations	**(35.97)**	**1,536.98**
Income taxes refund/ (paid) (net)	39.40	(161.13)
Net cash flow from operating activities (A)	**3.43**	**1,375.85**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment property, intangible assets and cost incurred towards such assets under construction / development (net)	(1,645.86)	(2,912.09)
Proceeds from sale of property, plant and equipment's and intangible assets	128.43	26.32
Security deposit given for equipment lease	(401.20)	-
Payment for acquisition of stake in joint venture	(30.38)	(234.41)
Loans given (net)	(661.55)	(964.75)
Proceeds from sale/(Payments for purchase) of investments (net)	286.33	(769.88)
Consideration received on dilution of stake in subsidiaries	4,565.00	4,014.20
Movement in investments in bank deposits (net) (having original maturity of more than three months)	(397.44)	(614.25)
Dividend received from associates and joint ventures	303.81	123.37
Finance income received	286.24	341.89
Net cash flow from/ (used in) investing activities (B)	**2,433.38**	**(989.60)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	8,209.95	9,307.85
Repayment of long term borrowings	(5,126.25)	(3,410.70)
Repayment of short term borrowings (net)	(348.26)	(734.12)
Repayment of lease liability principal	(11.45)	(6.53)
Repayment of lease liability interest	(10.90)	(10.51)
Finance costs paid	(3,769.03)	(3,451.66)
Dividend paid	-	(50.34)

Consolidated statement of cash flows for the year ended March 31, 2021

Particulars	March 31, 2021 (₹ in crore)	March 31, 2020 (₹ in crore)
Dividend distribution taxes paid	-	(27.28)
Net cash (used in) / flow from financing activities (C)	**(1,055.94)**	**1,616.71**
Net increase in cash and cash equivalents (A + B + C)	1,380.87	2,002.96
Cash and cash equivalents as at beginning of the year	2,918.27	913.02
Effect of exchange difference on cash and cash equivalents held in foreign currency	0.90	2.29
Cash and cash equivalents as at the end of the year	**4,300.04**	**2,918.27**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks:		
- On current accounts	677.58	595.60
Deposits with original maturity of less than three months	3,619.89	2,261.70
Cheques / drafts on hand	0.19	-
Cash on hand	1.94	2.13
Cash at bank and short term deposits attributable to entities held for sale	0.44	58.84
Total cash and cash equivalents as at the end of the year	**4,300.04**	**2,918.27**

Summary of significant accounting polices 2.2

The accompanying notes are an integral part of the consolidated financial statements

This is the consolidated statement of cash flows referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration number: 001076N/ N500013

Anamitra Das
Partner
Membership number: 062191

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of GMR Infrastructure Limited

G. M. Rao
Chairman
DIN: 00574243

Grandhi Kiran Kumar
Managing Director & Chief Executive Officer
DIN: 00061669

Saurabh Chawla
Chief Financial Officer

Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979

Date: June 18, 2021
Place: Counter Signed at Dubai and New Delhi

Notes to the consolidated financial statements for the year ended March 31, 2021

1. Corporate information

GMR Infrastructure Limited ('GIL' or 'the Holding Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is Naman Centre, 7th Floor, opposite Dena Bank, Plot No.C-31 G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, India.

The Holding Company and its subsidiaries, associates, joint ventures and jointly controlled operations (here in after collectively referred to as 'the Group') are mainly engaged in development, maintenance and operation of airports, generation of power, coal mining and exploration activities, development of highways, development, maintenance and operation of special economic zones, and construction business including Engineering, Procurement and Construction ('EPC') contracting activities.

Airport sector

Certain entities of the Group are engaged in development, maintenance and operation of airport infrastructure such as greenfield international airports at Hyderabad and Goa and modernisation, maintenance and operation of international airports at Delhi and Cebu on build, own, operate and transfer basis.

Power sector

Certain entities of the Group are involved in the generation of power. These are separate Special Purpose Vehicles ('SPV') which have entered into Power Purchase Agreements ('PPA') with the electricity distribution companies of the respective state governments / other government authorities (either on the basis of Memorandum of Understanding or through a bid process) or short-term power supply agreements to generate and sell power directly to consumers as a merchant plant. Certain entities of the Group are involved in the coal mining and exploration activities and the Group is also involved in energy and coal trading activities through its subsidiaries.

Development of Highways

Certain entities of the Group are engaged in development of highways on build, operate and transfer model on annuity or toll basis. These are SPVs which have entered into concessionaire agreements with National Highways Authority of India ('NHAI') or the respective state governments for carrying out these projects.

Construction business

Certain entities of the Group are in the business of construction including as an EPC contractor. These entities are engaged in handling of EPC solution in the infrastructure sector.

Others

Entities of the Group which cover all residual activities of the Group that include special economic zones, operations of hotels, investment activities and management / technical consultancy.

Other explanatory information to the consolidated financial statement comprises of notes to the financial statements for the year ended March 31, 2021. The consolidated financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on June 18, 2021.

1.1 Going concern

The Group has incurred losses primarily on account of losses in the energy and highway sector as detailed in notes 8, 46(i) and 46(ii) with a consequent impact on net worth, delay in debt and interest servicing and lower credit ratings for some of its borrowings. Management is taking various initiatives including monetization of assets, sale of stake in certain assets, raising finances from financial institutions and strategic investors, refinancing of existing debt and other strategic initiatives to address the repayment of borrowings and debt.

Further, the Group has received certain favorable orders on various ongoing matters in energy, highway and DFCC which involve significant value of claims. Management is optimistic of such favorable orders and believes that such claims will further improve it's cash flows and profitability. The details of such claims have been enumerated below:

a) GCORR has received award of ₹ 341.00 crore plus interest (in case of delay in payment) against Government of Tamil Nadu ('GOTN') which is challenged by GOTN in Madras High Court.

b) GHVEPL has received award for arbitration for compensation for Change in Law on account of bifurcation of state of Andhra Pradesh and change in policies. While Change in Law is upheld, amount of compensation is to be calculated by a Sole Arbitrator. GHVEPL has raised a claim of Rs 1,676.00 crore plus interest upto March 31, 2020. However, NHAI has challenged the Award before Divisional Bench of Delhi High Court after single Judge of Delhi High Court upheld the award in favor of GHVEPL.

c) In case of DFCC, there are various claims under various heads which has been either agreed by DFCCIL or Group has got the award through Dispute Adjudication Board (DAB). Total amount of claim is approximately ₹ 321.00 crore which will be received progressively based on the work to be carried out.

d) Group have also raised a claim of ₹ 378.00 crore on DFCCIL under Change in Law on account of Mining Ban in the state of UP. Though DAB has given award in Group's favor but DFCCIL has not accepted and arbitration is invoked which is under process.

e) Certain other claims in Energy sector as detailed in note 8b(13)(iii), 8b(13)(v), 8b(13)(vi) and 47(i).

Considering the above factors, the consolidated financial statements continue to be prepared on a going concern basis which contemplates realisation of current assets and settlement of current liabilities in an orderly manner.

2. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below.Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1. Basis of Consolidation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Group is Indian Rupee ('Rs') which is the currency of the primary economic environment in which the Group operates.

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities, used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. In case of entities, where it is impracticable to do so, they are consolidated using the most recent financial statements available, which has a lag of three months, adjusted for the effects of significant transactions or events occurring between the date of those financial statements and consolidated financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2021

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Holding Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2. Summary of significant accounting policies:

a. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Re-acquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is objective evidence of impairment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When the end of the reporting period of the parent is different from that of an associate or a joint venture, an associate or a joint venture, for consolidation purposes, prepares additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of an associate or a joint venture, unless it is impracticable to do so. In case of entities, where it is impracticable to do so, they are consolidated using the most recent financial statements available, with a lag of three months, adjusted for the effects of significant transactions or events occur between the date of those financial statements and consolidated financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the consolidated financial statements for the year ended March 31, 2021

c. Interest in joint operations

In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Holding Company and its subsidiaries are combined for consolidation. Interests in joint operations are included in thesegments to which they relate.

The financial statements of the joint operations are prepared for the same reporting period as the Group. When the end of the reporting period of the parent is different from that of a joint operations, a joint operations for consolidation purposes, prepares additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of a joint operations, unless it is impracticable to do so. In case of entities, where it is impracticable to do so, they are consolidated using the most recent financial statements available, with a lag of three months, adjusted for the effects of significant transactions or events occurring between the date of those financial statements and consolidated financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

d. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
ii. Held primarily for the purpose of trading,
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle,
ii. It is held primarily for the purpose of trading,
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

Operating cycle for the business activities of the Group extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective line of business.

e. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the consolidated financial statements for the year ended March 31, 2021

All assets and liabilities for which fair value is measured or disclosed in the consolidatedfinancial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidatedfinancial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less.

The Group also receives long-term advances from customers for rendering services. The transaction price for such contracts are discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer (which consist of unbilled revenue). If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Notes to the consolidated financial statements for the year ended March 31, 2021

Energy sector

In case of power generating and trading companies, revenue from energy units sold as per the terms of the PPA and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue earned have been disclosed under "other liabilities" as unearned revenue.

Claims for delayed payment charges and any other claims, in which the Group companies are entitled to under the PPAs, are recognized on reasonable certainty to expect ultimate collection.

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers. Revenue/ charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognized/ charged at rates notified by CERC from time to time, as revenue from sale of energy and adjusted with revenue from sale of energy. Further, revenue is recognized/adjusted towards truing up in terms of the applicable CERC regulations.

Revenue from electrical energy transmission charges is recognized on an accrual basis in accordance with the provisions of the transmission service agreements.

Revenue from sale of coal is recognised when the risks and rewards of ownership passes to the purchaser in accordance with the terms of sale, including delivery of the product, the selling price is fixed or determinable, and collectability is reasonably assured. Revenue earned in the pre-production stage and related operating costs have been recorded against the carrying value of mining and exploration and development properties.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from energy trading are recognised as per the agreement with the customer. In case of the energy trading agreements, where the Group is entitled only for a fixed margin and the associated risk and rewards are with the third parties, revenue is recognised only to the extent of assured margin.

Highways Sector

In case of entities involved in construction and maintenance of Roads, revenue are recognised in line with the Appendix C to Ind AS 115 - Service Concession Arrangements. Toll revenue is recognised on an accrual basis which coincides with the collection of toll from the users of highways.

Revenue share paid / payable to concessionaire grantors:

Revenue share paid / payable to concessionaires / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective highways has been disclosed as revenue share paid / payable to concessionaire grantors in the consolidated statement of profit and loss.

Airport Sector

In case of airport infrastructure companies, aeronautical and non-aeronautical revenue is recognised on an accrual basis and is net of service tax / goods and service tax, applicable discounts and collection charges, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from aeronautical operations include user development fees, fuel farm, passenger service charges, landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services, air transport services and Maintenance, Repair and Overhaul facility (MRO) of aircrafts and allied services.

Land and Space- rentals pertains to granting right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services.

In case of cargo handling revenue, revenue from outbound cargo is recognised at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognised at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers. Interest on delayed receipts from customers is recognised on acceptance.

Revenue from commercial property development rights granted to concessionaires is recognised on accrual basis, as per the terms of the agreement entered into with the customers.

Revenue from sale of goods at the duty free outlets operated by the Group is recognised at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

Revenue from hospitality services comprises of income by way of hotel room rent, sale of food, beverages and allied services relating to the hotel and is recognised net of taxes and discounts as and when the services are provided and products are sold.

Revenue from MRO contracts is recognised as and when services are rendered.

In case of companies covered under service concession agreements, revenue are recognised in line with the Appendix C to Ind AS 115 - Service Concession Arrangements.

Revenue share paid / payable to concessionaire grantors:

Revenue share paid / payable to concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective airports has been disclosed as revenue share paid/ payable to concessionaire grantors' in the statement of profit and loss.

For Construction business entities

Construction revenue and costs are recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method i.e. over the period of time. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i. The amount of revenue can be measured reliably,
ii. It is probable that the economic benefits associated with the contract will flow to the Group,
iii. The stage of completion of the contract at the end of the reporting period can be measured reliably,
iv. The costs incurred or to be incurred in respect of the contract can be measured reliably

Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers.

Amount received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customers are disclosed in the Balance Sheet as trade receivables.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which are accounted on the basis of reasonable certainty / realisation.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other operating income / other income in the statement of profit and loss depending upon the nature of operations of the entity in which such revenue is recognised.

Notes to the consolidated financial statements for the year ended March 31, 2021

Others

i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.

ii. Insurance claim is recognised on acceptance of the claims by the insurance company.

iii. Revenue from charter services is recognised based on services provided as per the terms of the contracts with the customers. Revenue earned in excess of billings has been included under 'other financial assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

g. Service Concession Arrangements

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the operator performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are not separately identifiable.

The intangible asset is amortised over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

The Group recognises a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor. In case of annuity based carriageways, the Group recognises financial asset.

h. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

i. Taxes on income

<u>Current income tax</u>

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

j. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations,
ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or
iii) Is a subsidiary acquired exclusively with a view to resale.

Notes to the consolidated financial statements for the year ended March 31, 2021

Discontinued operations are excluded from the results of continuing operations and are presented separately in the consolidated statement of profit and loss.

k. Property, plant and equipment

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date and is stated at cost less accumulated impairment loss.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

On Transition to Ind AS, the Group has availed the optional exemptionon "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the financial statements for the year ended March 31, 2016 (as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

l. Depreciation on Property, plant and equipment

Energy sector

In case of domestic entities, the depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Act except on case of plant and machinery in case of some gas based power plants and power generating units dedicated for generation of power under CERC tariff regulations where the useful life of the asset is considered as 25 years as prescribed by CERC being the regulatory authority in the energy sector, as against 40 years as per Schedule II of the Act.

Airport sector

Depreciation on property, plant and equipment is calculated on a straight line basis using the useful lives prescribed under Schedule II to the Companies Act, 2013 except for certain assets class i.e. Internal Approach Roads, Electric Panels and Transformers/Sub—station, the Group, based on a technical evaluation, believes that the useful life of such property, plant and equipment is different from the useful life specified in ScheduleII to Companies Act 2013.

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life; or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Group will obtain ownership at the end of lease term.

On June 12, 2014, the Airport Economic Regulatory Authority ("AERA") has issued a consultation paper viz, 05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority had issued order no. 35/2017-18 on January 12, 2018 which was further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 01, 2018.

Accordingly, the management was of the view that useful lives considered by the Group for most of the assets except passenger related Furniture and Fixtures were in line with the useful life proposed by AERA in its order dated January 12, 2018, which was further amended on April 09, 2018.

In order to align the useful life of passenger related Furniture and Fixtures as per AERA order, the Group has revised the useful life during the financial year 2018-19.

Other entities

For domestic entities other than aforesaid entities, the depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013.

The management has estimated the useful life of assets individually costing ₹ 5,000 or less to be less than one year, which is lower than those indicated in Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Group shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Group for similar assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Useful life of Property, plant and equipment, other than disclosed above:

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset	Estimated useful life
Plant and equipment	4 - 15 years
Buildings	7 - 30 years
Office equipment	5 years
Furniture and fixtures	3-10 years
Vehicles and Aircrafts	5 - 25 years
Computers	3-6 years

Leasehold improvements are depreciated over the primary period of lease or estimated useful life, whichever is lower, on straight line basis.

The Group, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

m. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met.
Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by

Notes to the consolidated financial statements for the year ended March 31, 2021

technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Investment property under construction

Investment property under construction represents expenditure incurred in respect of capital projects and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure.

n. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

o. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period, with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortization of mining properties is based on using unit-of-production method from the date of commencement of commercial production of the respective area of interest over the lesser of the life of the mine or the terms of the coal contracts of work or mining business license.

Technical know-how is amortised over five years from the date of issuance of certificate from a competent authority.

Intangible assets representing upfront fees and other payments made to concessionaires of the respective airports, pursuant to the terms and conditions of concession agreements are amortized on a straight line method over the initial and extended periods of concession agreements, as applicable.

Carriageways related to toll based road projects are amortized based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of MCA notification dated April 17, 2012 and in terms of the amendments to the Schedule II of the Act vide MCA notification dated March 31, 2014 pursuant to the exemption provided as per D22 (i) of Ind AS 101.

The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.
Intangible assets representing power plant concessionaire rights, carriageways and airport concessionaire rights are amortized over the concession period, ranging from 23 to 40 years,17.5 to 25 years and 25 to 60 years respectively, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

Software is amortised based on the useful life of six years on a straight line basis as estimated by the management.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

p. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

q. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

r. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

Group as a lessee

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset. The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor:

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Notes to the consolidated financial statements for the year ended March 31, 2021

s. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Contract work in progress: contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value

Cost of inventories is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to that extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

t. Impairment of non-financial assets, investments in joint ventures and associates

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment properties, intangible assets and investments in associates and joint ventures determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine theimpairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) In case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) In case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the respective company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

Notes to the consolidated financial statements for the year ended March 31, 2021

u. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

v. Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Group presents the leave as a current liability in the consolidatedbalance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit methodusing actuarial valuation to be carried out at each balance sheet date

In case of fundedplans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Notes to the consolidated financial statements for the year ended March 31, 2021

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidatedbalance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.
Past service costs are recognised in profit or loss on the earlier of:

a. The date of the plan amendment or curtailment, and
b. The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b. Net interest expense or income.

w. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value.Transaction costs that are directlyattributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financialliabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognitionof financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets andfinancial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by associates and joint ventures are measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocatinginterest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets,excluding investments in joint ventures and associates

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to controlthe transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Groupcontinues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in the consolidated statement of profit andloss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group afterdeducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilitiesare initially measured at fair value, net of transaction costs, and are subsequently measuredat amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

b. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidatedstatement of profit and loss.

Notes to the consolidated financial statements for the year ended March 31, 2021

Put Option Liability

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under IND AS 109.

The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding charge directly to equity. All subsequent changes in the carrying amount of the financial liability are recognised in the profit or loss attributable to the parent. The entity recognises both the non-controlling interest and the financial liability under the NCI put. It continues to measure non-controlling interests at proportionate share of net assets.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognises the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidatedbalance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

x. Derivative financial instruments

The Group uses derivative financial instruments, such as call spread options, interest rate swap etc. forward currency contractsto hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in consolidated OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;

c) Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in consolidated OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as consolidated OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in consolidated OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

y. Convertible preference shares/debentures

Convertible preference shares / debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares / debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for conversion right. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares / debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

z. Cash and cash equivalents

Cash and cash equivalent in the consolidatedbalance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above,net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

aa. Cash dividend

The Group recognises a liability to make cash distributions to equity holders of the respectiveCompanieswhen the distribution is authorised and the distribution is no longer at the discretion of suchCompany. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective Company's Board of Directors.

bb. Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded inOCI.
- Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Group has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Notes to the consolidated financial statements for the year ended March 31, 2021

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

cc. Exceptional items

An item of income or expense which due to its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the consolidated financial statements.

dd. Treasury shares

The Holding Company has created a Staff Welfare Trust ('SWT') for providing staff welfare to its employees. The Holding Company treats SWT as its extension and shares held by SWT are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Holding Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

ee. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

ff. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Notes to the consolidated financial statements for the year ended March 31, 2021

2.3. The entities consolidated in the consolidated financial statements are listed below:

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		As % of consolidated net assets	Net assets, i.e, total assets minus total liabilities*	As % of consolidated net assets	Net assets, i.e, total assets minus total liabilities*	As % of total profit after tax	Profit after tax*	As % of total profit after tax	Profit after tax*	As % of other comprehensive income	Other comprehensive income*	As % of other comprehensive income	Other comprehensive income*	As % of total comprehensive income	Total comprehensive income*	As % of total comprehensive income	Total comprehensive income*
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
Parent																							
1	GMR Infrastructure Limited (GIL)	India	Holding Company					25.28%	9,746.46	27.64%	12,067.74	24.38%	(1,279.68)	33.27%	(1,479.12)	55.44%	(1,115.93)	44.51%	1,996.25	32.99%	(2,395.61)	1332.12%	517.13
Subsidiaries																							
Indian																							
2	GMR Energy Trading Limited (GETL)	India	Subsidiary	81.00%	81.00%	81.00%	81.00%	0.19%	74.82	0.14%	62.52	-0.24%	12.34	-0.07%	2.91	0.00%	(0.04)	0.00%	(0.02)	-0.17%	12.30	7.43%	2.88
3	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary[14]	82.16%	100.00%	100.00%	100.00%	-0.23%	(89.08)	-0.18%	(79.88)	0.18%	(9.20)	0.14%	(6.24)	0.00%	-	0.00%	-	0.13%	(9.20)	-16.07%	(6.24)
4	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary[14]	82.16%	100.00%	100.00%	100.00%	0.00%	(1.08)	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	(0.00)	-0.02%	(0.01)
5	GMR Generation Assets Limited (GGAL)	India	Subsidiary[14]	82.16%	100.00%	82.16%	100.00%	-1.85%	(714.48)	-0.14%	(61.21)	11.30%	(592.88)	27.00%	(1,200.13)	0.00%	-	0.00%	0.02	8.17%	(592.88)	-3091.48%	(1,200.11)
6	GMR Power Infra Limited (GPIL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.02%	(8.39)	-0.02%	(6.56)	0.03%	(1.83)	0.04%	(1.69)	0.00%	-	0.00%	-	0.03%	(1.83)	-4.35%	(1.69)
7	GMR Highways Limited (GMRHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	2.57%	989.09	2.47%	1,079.56	1.73%	(90.57)	0.41%	(18.08)	-0.01%	0.11	0.00%	-	1.25%	(90.46)	-46.58%	(18.08)
8	GMR Tambaram Tindivanam Expressways Limited (GTTEL)	India	Subsidiary[14]	95.18%	100.00%	100.00%	100.00%	0.69%	264.26	0.57%	247.47	-0.32%	16.80	-0.30%	13.38	0.00%	-	0.00%	0.22	-0.23%	16.80	35.03%	13.60
9	GMR Tuni Anakapalli Expressways Limited (GTAEL)	India	Subsidiary[14]	95.18%	100.00%	100.00%	100.00%	0.38%	146.81	0.31%	136.97	-0.19%	9.84	-0.24%	10.75	0.00%	-	0.00%	0.01	-0.14%	9.84	27.71%	10.76
10	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.72%	(277.35)	-0.46%	(201.31)	1.45%	(76.00)	1.11%	(49.46)	0.00%	(0.04)	0.00%	(0.01)	1.05%	(76.04)	-127.41%	(49.46)
11	GMR Pochanpalli Expressways Limited (GPEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.62%	238.24	0.53%	230.23	-0.15%	7.99	-0.27%	11.81	0.00%	0.02	0.00%	(0.02)	-0.11%	8.01	30.37%	11.79
12	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%	-2.16%	(830.95)	-1.48%	(644.14)	3.56%	(186.82)	4.31%	(191.80)	0.00%	0.01	0.00%	(0.01)	2.57%	(186.81)	-494.10%	(191.81)
13	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%	0.04%	16.76	0.14%	61.48	0.86%	(45.35)	0.12%	(5.39)	0.00%	(0.03)	0.00%	(0.06)	0.63%	(45.38)	-14.04%	(5.45)
14	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary2	32.13%	47.26%	63.00%	63.00%	5.53%	2,133.04	5.32%	2,321.17	2.88%	(151.05)	-14.32%	636.82	1.84%	(37.04)	2.95%	132.11	2.59%	(188.09)	1980.77%	768.93
15	Gateways for India Airports Private Limited (GFIAL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%	0.01%	2.55	0.01%	2.59	0.00%	(0.04)	0.00%	0.08	0.00%	-	0.00%	-	0.00%	(0.04)	0.21%	0.08
16	GMR Aerostructure Services Limited (GASL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.05%	(19.74)	-0.29%	(124.89)	0.71%	(37.47)	1.08%	(48.18)	0.00%	-	0.00%	-	0.52%	(37.47)	-124.10%	(48.18)
17	GMR Logistics Park Private Limited (GLPPL)	India	NA[2,11]	NA	47.26%	NA	100.00%	0.00%	-	0.13%	58.44	0.00%	-	0.01%	(0.55)	0.00%	-	0.00%	-	0.00%	-	-1.42%	(0.55)
18	GMR Hyderabad Aerotropolis Limited (GHAL)	India	Subsidiary[2]	32.13%	47.26%	100.00%	100.00%	0.19%	74.58	0.18%	77.45	0.06%	(3.01)	0.06%	(2.48)	-0.01%	0.14	0.00%	-	0.04%	(2.87)	-6.40%	(2.48)
19	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary[2]	32.13%	47.26%	100.00%	100.00%	0.12%	46.99	0.11%	47.33	0.01%	(0.37)	0.10%	(4.36)	0.00%	0.03	0.00%	-	0.00%	(0.34)	-11.24%	(4.36)
20	GMR Air Cargo and Aerospace Engineering Limited (GACAEL)	India	Subsidiary[2]	32.13%	47.26%	100.00%	100.00%	0.01%	2.30	-0.01%	(3.56)	-0.11%	5.68	-0.37%	16.37	-0.01%	0.17	-0.01%	(0.38)	-0.08%	5.85	41.20%	16.00
21	GMR Aero Technic Limited (GATL)	India	Subsidiary[2]	32.13%	47.26%	100.00%	100.00%	0.00%	0.11	0.00%	0.43	0.01%	(0.32)	0.00%	0.06	0.00%	-	0.00%	-	0.00%	(0.32)	0.14%	0.06
22	GMR Airport Developers Limited (GADL)	India	Subsidiary[2]	51.00%	75.01%	100.00%	100.00%	0.18%	70.29	0.13%	55.45	-0.47%	24.57	-0.39%	17.33	-0.02%	0.47	-0.02%	(0.83)	-0.34%	25.04	42.50%	16.50
23	GMR Hospitality and Retail Limited (GHRL)	India	Subsidiary[2]	32.13%	47.26%	100.00%	100.00%	0.02%	7.68	0.07%	29.08	0.41%	(21.61)	-0.18%	8.11	-0.01%	0.20	0.00%	(0.13)	0.29%	(21.41)	20.57%	7.98
24	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	India	NA[13]	NA	47.26%	NA	100.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-	-0.05%	(0.02)
25	Delhi International Airport Limited (DIAL)	India	Subsidiary[2]	32.64%	48.01%	64.00%	64.00%	6.63%	2,554.77	6.28%	2,742.45	6.05%	(317.41)	-0.30%	13.15	-6.45%	129.77	0.25%	11.27	2.58%	(187.64)	62.89%	24.42
26	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary[2]	32.64%	48.01%	100.00%	100.00%	0.00%	(0.06)	0.00%	(0.06)	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Name of the entity	Country of incor-poration	Relati-onship as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabilities*	As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabil-ities*	As % of total profit after tax	Profit after tax*	As % of total profit after tax	Profit after tax*	As % of other compre-hensive income	Other compre-hensive income*	As % of other compre-hensive income	Other compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
27	Delhi Airport Parking Services Private Limited (DAPSL)	India	Subsidiary[2]	36.74%	54.03%	90.00%	90.00%	0.18%	70.40	0.21%	91.59	0.40%	(21.25)	-0.80%	35.72	0.00%	0.06	0.00%	(0.10)	0.29%	(21.19)	91.75%	35.62
28	GMR Airports Limited (GAL)	India	Subsidiary[2]	51.00%	75.01%	51.00%	75.01%	40.44%	15,591.56	36.90%	16,108.41	4.91%	(257.74)	-1.68%	74.86	49.07%	(987.81)	54.36%	2,437.61	17.15%	(1,245.55)	6472.10%	2,512.47
29	GMR Nagpur International Airport Limited (GNIAL)	India	Subsidiary[2,6]	51.00%	75.01%	100.00%	100.00%	0.00%	(0.02)	0.00%	(0.02)	0.00%	-	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	(0.00)	-0.07%	(0.03)
30	GMR Kannur Duty Free Services Limited (GKDFSL)	India	Subsidiary[2,6]	51.00%	75.01%	100.00%	100.00%	0.00%	0.86	0.00%	(0.02)	0.00%	(0.11)	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	(0.11)	-0.08%	(0.03)
31	GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.34%	131.41	0.30%	129.56	-0.03%	1.84	0.11%	(4.67)	0.00%	0.02	0.00%	(0.06)	-0.03%	1.86	-12.18%	(4.73)
32	GMR Krishnagiri SIR Limited (GKSIR)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.07%	(27.93)	0.26%	111.81	2.64%	(138.70)	0.06%	(2.59)	0.00%	-	0.00%	-	1.91%	(138.70)	-6.66%	(2.59)
33	Advika Properties Private Limited (APPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(1.29)	0.00%	0.70	0.04%	(2.00)	0.00%	(0.03)	0.00%	-	0.00%	-	0.03%	(2.00)	-0.07%	(0.03)
34	Aklima Properties Private Limited (AKPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	1.04	0.00%	0.78	0.00%	0.26	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	0.26	-0.06%	(0.02)
35	Amartya Properties Private Limited (AMPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.50)	0.00%	0.18	0.01%	(0.69)	0.01%	(0.63)	0.00%	-	0.00%	-	0.01%	(0.69)	-1.63%	(0.63)
36	Baruni Properties Private Limited (BPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(1.02)	0.00%	0.87	0.04%	(1.89)	0.00%	(0.02)	0.00%	-	0.00%	-	0.03%	(1.89)	-0.06%	(0.02)
37	Bougainvillea Properties Private Limited (BOPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	1.44	0.00%	1.52	0.00%	(0.08)	0.00%	(0.17)	0.00%	-	0.00%	-	0.00%	(0.08)	-0.45%	(0.17)
38	Camelia Properties Private Limited (CPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.35	0.00%	0.26	-0.12%	6.09	0.00%	(0.15)	0.00%	-	0.00%	-	-0.08%	6.09	-0.38%	(0.15)
39	Deepesh Properties Private Limited (DPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	8.98	0.01%	2.49	-0.12%	6.49	0.00%	(0.03)	0.00%	-	0.00%	-	-0.09%	6.49	-0.08%	(0.03)
40	Eila Properties Private Limited (EPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.53)	0.00%	0.56	0.02%	(1.09)	0.01%	(0.22)	0.00%	-	0.00%	-	0.01%	(1.09)	-0.57%	(0.22)
41	Gerbera Properties Private Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	3.34	0.00%	0.50	-0.05%	2.84	0.00%	(0.06)	0.00%	-	0.00%	-	-0.04%	2.84	-0.15%	(0.06)
42	Lakshmi Priya Properties Private Limited (LPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.97)	0.00%	0.81	0.03%	(1.78)	0.00%	(0.05)	0.00%	-	0.00%	-	0.02%	(1.78)	-0.12%	(0.05)
43	Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.81	0.00%	1.09	0.01%	(0.28)	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	(0.28)	-0.09%	(0.03)
44	Idika Properties Private Limited (IPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.60)	0.00%	0.65	0.02%	(1.25)	0.00%	(0.15)	0.00%	-	0.00%	-	0.02%	(1.25)	-0.37%	(0.15)
45	Krishnapriya Properties Private Limited (KPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	1.09	0.00%	0.77	-0.01%	0.32	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	0.32	-0.07%	(0.03)
46	Larkspur Properties Private Limited (LAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	5.49	0.00%	1.42	-0.08%	4.07	0.00%	(0.06)	0.00%	-	0.00%	-	-0.06%	4.07	-0.15%	(0.06)
47	Nadira Properties Private Limited (NPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.68	0.00%	1.00	0.01%	(0.32)	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	(0.32)	-0.08%	(0.03)
48	Padmapriya Properties Private Limited (PAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	3.41	0.00%	0.66	-0.05%	2.75	0.00%	0.05	0.00%	-	0.00%	-	-0.04%	2.75	0.12%	0.05
49	Prakalpa Properties Private Limited (PPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.94)	0.00%	0.73	0.03%	(1.66)	0.00%	(0.05)	0.00%	-	0.00%	-	0.02%	(1.66)	-0.14%	(0.05)
50	Purnachandra Properties Private Limited (PUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	1.95	0.00%	0.61	-0.03%	1.33	0.00%	(0.12)	0.00%	-	0.00%	-	-0.02%	1.33	-0.30%	(0.12)
51	Shreyadita Properties Private Limited (SPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.57	0.00%	0.54	0.00%	0.03	0.00%	(0.12)	0.00%	-	0.00%	-	0.00%	0.03	-0.30%	(0.12)
52	Pranesh Properties Private Limited (PRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.75	0.00%	0.81	0.00%	(0.05)	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	(0.05)	-0.08%	(0.03)
53	Sreepa Properties Private Limited (SRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	1.19	0.00%	0.70	-0.01%	0.49	0.00%	(0.14)	0.00%	-	0.00%	-	-0.01%	0.49	-0.36%	(0.14)
54	Radhapriya Properties Private Limited (RPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(1.89)	0.00%	0.72	0.05%	(2.61)	0.00%	(0.04)	0.00%	-	0.00%	-	0.04%	(2.61)	-0.10%	(0.04)
55	Asteria Real Estates Private Limited (AREPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.23)	0.00%	(0.20)	0.00%	(0.03)	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	(0.03)	-0.04%	(0.01)
56	Lantana Properies Private Limited (Lantana)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	3.16	0.00%	(0.73)	-0.07%	3.89	0.00%	(0.04)	0.00%	-	0.00%	-	-0.05%	3.89	-0.10%	(0.04)

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Name of the entity	Country of incor-poration	Relati-onship as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabilities*	As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabil-ities*	As % of total profit after tax	Profit after tax*	As % of total profit after tax	Profit after tax*	As % of other compre-hensive income	Other compre-hensive income*	As % of other compre-hensive income	Other compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
57	Namitha Real Estates Private Limited (NREPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(1.88)	0.00%	(1.73)	0.00%	(0.15)	0.00%	(0.15)	0.00%	-	0.00%	-	0.00%	(0.15)	-0.38%	(0.15)
58	Honey Flower Estates Private Limited (HFEPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.10%	38.82	0.09%	37.94	-0.02%	0.88	0.00%	0.04	0.00%	-	0.00%	-	-0.01%	0.88	0.11%	0.04
59	GMR SEZ & Port Holdings Limited (GSPHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.39%	(148.75)	0.37%	160.99	0.96%	(50.28)	0.77%	(34.39)	0.00%	-	0.00%	-	0.69%	(50.28)	-88.60%	(34.39)
60	Suzone Properties Private Limited (SUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.01%	(4.67)	-0.01%	(3.10)	0.02%	(0.94)	0.00%	(0.04)	0.00%	-	0.00%	-	0.01%	(0.94)	-0.11%	(0.04)
61	Lilliam Properties Private Limited (LPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.01%	(2.59)	-0.01%	(2.22)	-0.01%	0.27	0.00%	0.20	0.00%	-	0.00%	-	0.00%	0.27	0.52%	0.20
62	GMR Corporate Affairs Private Limited (GCAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.01%	(3.35)	-0.04%	(18.22)	-0.07%	3.64	0.10%	(4.61)	0.00%	-	0.00%	-	-0.05%	3.64	-11.87%	(4.61)
63	Dhruvi Securities Private Limited (DSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.54%	209.67	0.57%	247.97	-0.20%	10.29	-0.65%	28.88	2.41%	(48.59)	0.62%	27.62	0.53%	(38.30)	145.54%	56.50
64	Kakinada SEZ Limited (KSL)	India	NA[3,12]	NA	51.00%	NA	51.00%	0.00%	-	0.18%	79.42	0.06%	(3.27)	0.01%	(0.62)	0.00%	0.01	0.00%	(0.08)	0.04%	(3.26)	-1.80%	(0.70)
65	GMR Business Process and Services Private Limited (GBPSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.11%	42.89	-0.02%	(8.76)	-0.98%	51.65	-0.07%	3.16	0.00%	-	0.00%	-	-0.71%	51.65	8.14%	3.16
66	Raxa Security Services Limited (RSSL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.16%	62.32	0.14%	61.30	-0.04%	1.95	-0.15%	6.54	0.05%	(0.94)	-0.04%	(1.58)	-0.01%	1.01	12.80%	4.97
67	GMR Infra Services Limited (GISL)	India	NA[2,3]	NA	NA	NA	NA	0.00%	-	0.00%	-	0.00%	-	15.34%	(681.77)	0.00%	-	0.00%	-	0.00%	-	-1756.23%	(681.77)
68	Kakinada Gateway Port Limted (KGPL)	India	NA[3,12]	NA	51.00%	NA	100.00%	0.00%	-	0.41%	176.99	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	(0.02)	-0.01%	(0.01)
69	GMR Power and Urban Infra Limited (GPUIL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	(0.34)	0.00%	(0.29)	0.00%	(0.04)	0.01%	(0.39)	0.00%	-	0.00%	-	0.00%	(0.04)	-1.01%	(0.39)
70	GMR Goa International Airport Limited (GIAL)	India	Subsidiary[2]	50.99%	75.00%	99.99%	99.99%	0.96%	369.38	0.42%	184.60	0.08%	(4.22)	0.08%	(3.40)	0.00%	-	0.00%	-	0.06%	(4.22)	-8.76%	(3.40)
71	GMR Infra Developers Limited (GIDL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	1.22%	470.04	1.11%	484.27	2.57%	(134.97)	19.44%	(864.26)	-6.00%	120.73	0.00%	-	0.20%	(14.24)	-2226.32%	(864.26)
72	GMR Vishakhapatnam International Airport Limited (GVIAL)	India	Subsidiary[10]	51.00%	NA	100.00%	NA	0.02%	8.82	-	-	0.00%	(0.18)	-	-	0.00%	-	-	-	0.00%	(0.18)	-	-
73	GMR Hyderabad Airport Assets Limited (GHAAL)	India	Subsidiary[10]	32.13%	NA	100.00%	NA	0.00%	0.09	-	-	0.00%	(0.01)	-	-	0.00%	-	-	-	0.00%	(0.01)	-	-
Foreign																							
74	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	-	-0.35%	(151.28)	0.00%	(0.11)	0.36%	(16.06)	0.27%	(5.34)	-0.11%	(5.00)	0.08%	(5.45)	-54.24%	(21.06)
75	GMR Energy (Netherlands) B.V. (GENBV)	Netherlands	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.68%	261.33	0.55%	238.21	-0.34%	17.74	0.24%	(10.69)	0.19%	(3.78)	-0.07%	(3.31)	-0.19%	13.96	-36.07%	(14.00)
76	GMR Energy Projects (Mauritius) Limited (GEPML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%	-4.82%	(1,858.38)	-3.97%	(1,734.58)	1.60%	(83.99)	1.90%	(84.37)	1.98%	(39.81)	-0.86%	(38.58)	1.71%	(123.80)	-316.71%	(122.95)
77	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%	4.75%	1,831.23	3.77%	1,645.10	-2.85%	149.35	-2.43%	108.20	-1.37%	27.51	0.67%	29.99	-2.44%	176.86	355.98%	138.19
78	GMR Coal Resources Pte Limited (GCRPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%	2.62%	1,011.15	-1.21%	(527.59)	1.65%	(86.68)	3.32%	(147.44)	1.19%	(24.00)	-0.52%	(23.10)	1.52%	(110.68)	-439.32%	(170.55)
79	GADL International Limited (GADLIL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.05	0.00%	0.12	0.00%	(0.06)	0.00%	(0.03)	0.02%	(0.40)	-0.01%	(0.38)	0.01%	(0.46)	-1.08%	(0.42)
80	GADL (Mauritius) Limited (GADLML)	Mauritius	NA[13]	NA	75.01%	NA	100.00%	0.00%	-	0.00%	0.01	0.00%	-	0.00%	0.05	0.00%	-	0.00%	(0.03)	0.00%	-	0.06%	0.02
81	GMR Male International Airport Private Limited (GMIAL)	Maldives	Subsidiary	76.87%	76.87%	76.87%	76.87%	1.66%	640.65	1.43%	625.89	0.00%	(0.02)	0.08%	(3.70)	-0.48%	9.71	0.22%	9.65	-0.13%	9.69	15.33%	5.95
82	GMR Airports International B.V. (GAIBV)	Netherlands	Subsidiary[2]	51.00%	75.01%	100.00%	100.00%	-0.81%	(312.37)	-0.40%	(176.54)	2.54%	(133.47)	3.42%	(151.96)	0.13%	(2.53)	-0.07%	(3.16)	1.87%	(136.00)	-399.57%	(155.11)
83	GMR Airport Singapore PTE Limited (GASPL)	Singapore	Subsidiary[2,6]	51.00%	75.01%	100.00%	100.00%	0.01%	4.02	0.00%	(0.71)	0.36%	(18.82)	0.08%	(3.73)	-0.01%	0.17	0.00%	(0.05)	0.26%	(18.65)	-9.72%	(3.77)
84	GMR Airports (Mauritius) Limited (GAML)	Mauritius	Subsidiary[2]	51.00%	75.01%	100.00%	100.00%	0.00%	-	0.01%	2.94	0.06%	(3.04)	0.01%	(0.36)	0.00%	0.09	0.00%	0.04	0.04%	(2.95)	-0.82%	(0.32)
85	GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%	1.77%	684.22	2.02%	883.91	4.26%	(223.57)	-2.30%	102.04	-0.36%	7.22	0.07%	3.35	2.98%	(216.35)	271.49%	105.39

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Name of the entity	Country of incor-poration	Relati-onship as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabilities*	As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabil-ities*	As % of total profit after tax	Profit after tax*	As % of total profit after tax	Profit after tax*	As % of other compre-hensive income	Other compre-hensive income*	As % of other compre-hensive income	Other compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
86	GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.06%	22.12	0.25%	108.00	-0.01%	0.73	-0.04%	1.99	1.10%	(22.05)	-0.47%	(21.07)	0.29%	(21.32)	-49.15%	(19.08)
87	GMR Infrastructure Overseas Limited, Malta (GIOL)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.12%	45.86	0.09%	41.20	0.01%	(0.71)	0.02%	(0.94)	-0.23%	4.72	0.01%	0.51	-0.06%	4.01	-1.10%	(0.43)
88	GMR Infrastructure (UK) Limited (GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.02%	(8.86)	0.00%	1.54	0.08%	(4.02)	0.08%	(3.74)	0.48%	(9.75)	-0.19%	(8.68)	0.19%	(13.77)	-32.00%	(12.42)
89	GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	-	2.39%	1,044.88	20.66%	(1,084.21)	-0.01%	0.51	-0.81%	16.25	0.03%	1.52	14.71%	(1,067.96)	5.21%	2.02
90	GMR Energy (Global) Limited (GEGL)	Isle of Man	NA[13]	NA	100.00%	NA	100.00%	0.00%	-	0.00%	(0.28)	0.00%	-	0.00%	(0.07)	0.00%	-	-0.53%	(23.58)	0.00%	-	-60.93%	(23.65)
91	Indo Tausch Trading DMCC (Indo Tausch)	United Arab Emirates	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.58	0.00%	0.82	0.01%	(0.27)	0.01%	(0.27)	0.00%	(0.02)	0.00%	(0.02)	0.00%	(0.29)	-0.77%	(0.30)
92	GMR Infrastructure (Overseas) Limited (GI(O)L)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%	-2.53%	(973.66)	-2.15%	(938.58)	-1.23%	64.45	-10.18%	452.67	1.61%	(32.38)	-0.74%	(33.03)	-0.44%	32.07	1080.99%	419.64
93	GMR Airports Greece Single Member S.A.	Greece	Subsidiary[10]	51.00%	NA	100.00%	NA	0.00%	(0.33)	0.00%	-	0.01%	(0.52)	0.00%	-	0.00%	(0.03)	0.00%	-	0.01%	(0.55)	0.00%	-
Joint ventures (investment as per equity method) and Jointly controlled operations																							
Indian																							
94	GMR Energy Limited (GEL)	India	Joint Venture[1,5]	69.58%	69.58%	51.73%	51.73%	3.30%	1,272.32	4.35%	1,897.31	11.88%	(623.33)	26.76%	(1,189.62)	0.00%	-	-0.02%	(0.71)	8.58%	(623.33)	-3066.28%	(1,190.33)
95	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Joint Venture[2,14]	6.57%	9.67%	20.14%	20.14%	0.25%	96.55	0.22%	95.35	0.24%	(12.82)	0.65%	(29.06)	0.00%	0.04	0.00%	(0.03)	0.18%	(12.78)	-74.95%	(29.10)
96	Delhi Duty Free Services Private Limited (DDFS)	India	Joint Venture[2]	24.97%	36.73%	66.93%	66.93%	0.78%	300.68	0.75%	326.92	0.50%	(26.42)	-1.93%	85.93	-0.01%	0.19	-0.01%	(0.27)	0.36%	(26.23)	220.66%	85.66
97	Laqshya Hyderabad Airport Media Private Limited (Laqshya)	India	Joint Venture[2]	15.74%	23.16%	49.00%	49.00%	0.06%	22.86	0.05%	22.74	0.00%	0.10	-0.10%	4.50	0.00%	0.02	0.00%	0.02	0.00%	0.12	11.64%	4.52
98	Delhi Aviation Services Private Limited (DASPL)	India	Joint Venture[2]	16.32%	24.00%	50.00%	50.00%	0.06%	22.52	0.05%	21.86	-0.11%	5.66	-0.10%	4.43	0.00%	(0.01)	0.00%	(0.01)	-0.08%	5.65	11.39%	4.42
99	Delhi Aviation Fuel Facility Private Limited (DAFF)	India	Joint Venture[2]	8.49%	12.48%	26.00%	26.00%	0.17%	64.63	0.16%	70.64	0.06%	(3.23)	-0.23%	10.07	0.00%	-	0.00%	-	0.04%	(3.23)	25.94%	10.07
100	GMR Logistics Park Private Limited (GLPPL)	India	Joint Venture[2,11]	9.64%	NA	30.00%	NA	0.05%	17.70	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	-
101	WAISL Limited (WAISL)	India	NA[2,3,7]	NA	NA	NA	NA	0.00%	-	0.00%	-	0.00%	-	-0.05%	2.41	0.00%	-	0.00%	-	0.00%	-	6.21%	2.41
102	GIL SIL JV	India	Joint Venture9	51.00%	51.00%	51.00%	51.00%	0.01%	3.42	0.01%	2.72	-0.01%	0.70	-0.06%	2.72	0.00%	-	0.00%	-	-0.01%	0.70	7.01%	2.72
Foreign																							
103	GMR Megawide Cebu Airport Corporation (GMCAC)	Philippines	Joint Venture[2,8]	20.40%	30.00%	40.00%	40.00%	1.29%	498.86	1.22%	531.89	1.37%	(72.15)	-0.72%	32.06	0.00%	(0.02)	0.00%	(0.22)	0.99%	(72.17)	82.02%	31.84
104	Limak GMR Joint Venture (CJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%	0.00%	-	0.00%	(0.96)	0.00%	(0.09)	0.01%	(0.64)	0.00%	-	0.00%	-	0.00%	(0.09)	-1.65%	(0.64)
105	Megawide GISPL Construction Joint Venture (MGCJV)	Philippines	Jointly Controlled Operations	50.00%	50.00%	50.00%	50.00%	0.02%	8.43	0.02%	8.83	-0.15%	7.96	-0.10%	4.56	-0.03%	0.65	0.02%	0.96	-0.12%	8.61	14.22%	5.52
106	Megawide GMR Construction JV, Inc. (MGCJV Inc.)	Philippines	Joint Venture[2]	25.50%	45.00%	50.00%	45.00%	0.08%	29.50	0.13%	54.86	-0.30%	15.51	-0.72%	31.89	0.00%	-	0.00%	-	-0.21%	15.51	82.15%	31.89
107	PT Golden Energy Mines Tbk (PTGEMS)	Indonesia	Joint Venture[4]	30.00%	30.00%	30.00%	30.00%	9.53%	3,675.85	8.27%	3,611.20	-3.98%	208.73	-3.10%	137.81	0.04%	(0.72)	-0.05%	(2.29)	-2.86%	208.01	349.10%	135.52
108	Heraklioncrete International Airport SA (Crete)	Greece	Joint Venture[2]	11.04%	16.23%	21.64%	21.64%	0.60%	231.84	0.50%	217.88	0.00%	(0.08)	0.08%	(3.37)	0.00%		0.00%	-	0.00%	(0.08)	-8.68%	(3.37)

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Name of the entity	Country of incor-poration	Relati-onship as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabilities*	As % of conso-lidated net assets	Net assets, i.e, total assets minus total liabil-ities*	As % of total profit after tax	Profit after tax*	As % of total profit after tax	Profit after tax*	As % of other compre-hensive income	Other compre-hensive income*	As % of other compre-hensive income	Other compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*	As % of total compre-hensive income	Total compre-hensive income*
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
Associate																							
109	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	India	Associate[2]	8.49%	12.48%	26.00%	26.00%	0.19%	75.03	0.16%	68.26	-0.44%	23.22	-0.23%	10.30	0.00%	(0.08)	0.00%	0.01	-0.32%	23.14	26.56%	10.31
110	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Associate[2]	13.06%	19.20%	40.00%	40.00%	0.02%	6.33	0.02%	8.50	0.04%	(2.22)	-0.06%	2.87	0.00%	0.05	0.00%	(0.05)	0.03%	(2.17)	7.26%	2.82
111	TIM Delhi Airport Advertising Private Limited (TIM)	India	Associate[2]	16.29%	23.96%	49.90%	49.90%	0.10%	38.94	0.09%	41.01	-0.02%	1.11	-0.24%	10.55	0.00%	0.05	0.00%	0.21	-0.02%	1.16	27.72%	10.76
112	GMR Rajahmundry Energy Limited (GREL)	India	Associate	36.97%	45.00%	45.00%	45.00%	-1.10%	(422.86)	-0.78%	(339.26)	1.91%	(100.40)	1.77%	(78.74)	0.00%	0.01	0.00%	0.01	1.38%	(100.39)	-202.81%	(78.73)
113	DIGI Yatra Foundation (DIGI)	India	Associate[2]	12.00%	17.65%	37.00%	37.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Sub Total							**100.00%**	**38,556.84**	**100.00%**	**43,659.46**	**100.00%**	**(5,247.90)**	**100.00%**	**(4,445.71)**	**100.00%**	**(2,012.92)**	**100.00%**	**4,484.53**	**100.00%**	**(7,260.82)**	**100.00%**	**38.82**
	Less: Non controlling interests in all subsidiaries								(3,036.69)		(2,674.58)		(630.50)		(227.19)		58.00		(55.87)		(572.50)		(283.06)
	Consolidation adjustments/eliminations**								(34,201.59)		(40,768.99)		3,081.13		2,243.52		2,094.58		(4,460.38)		5,175.69		(2,216.86)
	Total								**1,318.56**		**215.89**		**(2,797.27)**		**(2,429.38)**		**139.64**		**(31.72)**		**(2,657.63)**		**(2,461.10)**

*The figures have been considered from the respective standalone financial statements before consolidation adjustments / eliminations.

** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

Notes to the consolidated financial statements for the year ended March 31, 2021

The reporting dates of the subsidiaries, joint ventures and associates coincide with that of the parent Company except in case of foreign subsidiaries (refer Sl. No 74 to 93) and foreign joint ventures (refer Sl. No 103 to 108) whose financial statements for the year ended on and as at December 31, 2020 were considered for the purpose of consolidated financial statements of the Group.

The financial statements of other subsidiaries / joint ventures / associates have been drawn up to the same reporting date as of the Company, i.e. March 31, 2021.

Notes:

1 During the year ended March 31, 2019, the Group has accounted for the put option to acquire additional 17.85% stake from investors in regard to GMR Energy Limited at an agreed amount. However, the same has been considered for effective holding but not for voting rights as at March 31, 2021 and March 31, 2020.

2 During the year ended March 31, 2020 change in holding % of GAL is on account of sale of subisidiary (GISL) to ADP Groupe and subsequently effectively holding in GAL reduced to 75.01%. During the year ended March 31, 2021, change in holding % of GAL on account of sale of 25% equity stake to ADP Groupe and subsequently effectively holding in GAL reduced to 51%

3 The amounts disclosed with respect to net profit / (loss) in the table above comprises of the net profit / (loss) from the operations of such entities till the date of disposal and net profit / (loss) from such disposal.

4 The amounts for net assets / (liabilities) and net profit / (loss) of PTGEMS and its joint ventures have been presented on a consolidated basis. Refer note 17 below.

5 The amounts for net assets / (liabilities) and net profit / (loss) of GEL and its subsidiaries and joint ventures have been presented on a consolidated basis. Refer note 16 below.

6 Incorporated during the year ended March 31, 2020.

7 Pursuant to sale of holding in WAISL, ceased to be joint venture of the Group.

8 The amounts for net assets / (liabilities) and net profit / (loss) of GMCAC and its joint ventures have been presented on a consolidated basis. Refer note 18 below.

9 Entity has been assessed as joint venture during the year ended March 31, 2020.

10 Incorporated during the year ended March 31, 2021.

11 GHAL (wholly owned subsidiary of GHIAL) has entered into an agreement with ESR Hyderabad 1 Pte Limited (ESR) on April 16, 2020 for dilution of its stake in GLPPL from 100% to 30%. Pursuant to this agreement GLPPL became joint venture for the Group.

12 Entity disposed during the year ended March 31, 2021. Also refer note 48(ii).

13 Entity liquidated during the year ended March 31, 2021.

14 The holding in GBHHPL is only to the extent of Group share held through DIAL. For holding in GBHHPL held by Group through GEL, refer note 16 below.

15 Refer note 47(ii).

16 The entities consolidated with GEL are listed below:

Sl. No.	Name of the entity	Country of incorporation	Relationship with GIL as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) by GIL as at	
				March 31, 2021	March 31, 2020
1	GMR Vemagiri Power Generation Limited (GVPGL)	India	Joint Venture	69.58%	69.58%
2	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Joint Venture	69.61%	69.61%
3	GMR Warora Energy Limited (GWEL)	India	Joint Venture	69.58%	69.58%
4	GMR Gujarat Solar Power Limited (GGSPL)	India	Joint Venture	69.58%	69.58%
5	GMR Bundelkhand Energy Private Limited (GBEPL)	India	Joint Venture	69.58%	69.58%
6	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	India	Joint Venture	34.79%	34.79%
7	GMR Maharashtra Energy Limited (GMAEL)	India	Joint Venture	69.58%	69.58%
8	GMR Rajam Solar Power Private Limited (GRSPPL)	India	Joint Venture	69.58%	69.58%
9	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Joint Venture	69.58%	69.58%
10	GMR Indo-Nepal Energy Links Limited (GINELL)	India	Joint Venture	69.58%	69.58%
11	GMR Consulting Services Limited (GCSL)	India	Joint Venture	69.58%	69.58%
12	GMR Kamalanga Energy Limited (GKEL)	India	Joint Venture	60.83%	60.83%
13	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Joint Venture	55.57%	55.57%
14	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Joint Venture	12.10%	12.10%
15	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Joint Venture	71.10%	71.10%

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Name of the entity	Country of incorporation	Relationship with GIL as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) by GIL as at	
				March 31, 2021	March 31, 2020
16	Karnali Transmission Company Private Limited (KTCPL)	Nepal	Joint Venture	71.10%	71.10%
17	GMR Lion Energy Limited (GLEL)	Mauritius	Joint Venture	71.10%	71.10%
18	GMR Upper Karnali Hydropower Limited (GUKPL)	Nepal	Joint Venture	51.90%	51.90%

17 The entities consolidated with PTGEMS are listed below.

1	PT Roundhill Capital Indonesia (RCI)	Indonesia	Joint Venture	29.70%	29.70%
2	PT Borneo Indobara (BIB)	Indonesia	Joint Venture	29.43%	29.43%
3	PT Kuansing Inti Makmur (KIM)	Indonesia	Joint Venture	30.00%	30.00%
4	PT Karya Cemerlang Persada (KCP)	Indonesia	Joint Venture	30.00%	30.00%
5	PT Bungo Bara Utama (BBU)	Indonesia	Joint Venture	30.00%	30.00%
6	PT Bara Harmonis Batang Asam (BHBA)	Indonesia	Joint Venture	30.00%	30.00%
7	PT Berkat Nusantara Permai (BNP)	Indonesia	Joint Venture	30.00%	30.00%
8	PT Tanjung Belit Bara Utama (TBBU)	Indonesia	Joint Venture	30.00%	30.00%
9	PT Trisula Kencana Sakti (TKS)	Indonesia	Joint Venture	21.00%	21.00%
10	PT Era Mitra Selaras (EMS)	Indonesia	Joint Venture	30.00%	30.00%
11	PT Wahana Rimba Lestari (WRL)	Indonesia	Joint Venture	30.00%	30.00%
12	PT Berkat Satria Abadi (BSA)	Indonesia	Joint Venture	30.00%	30.00%
13	GEMS Trading Resources Pte Limited (GEMSCR)	Singapore	Joint Venture	30.00%	30.00%
14	PT Karya Mining Solution (KMS)	Indonesia	Joint Venture	30.00%	30.00%
15	PT Kuansing Inti Sejahtera (KIS)	Indonesia	Joint Venture	30.00%	30.00%
16	PT Bungo Bara Makmur (BBM)	Indonesia	Joint Venture	30.00%	30.00%
17	PT GEMS Energy Indonesia (PTGEI)	Indonesia	Joint Venture	30.00%	30.00%
18	PT Dwikarya Sejati Utma (PTDSU)	Indonesia	Joint Venture	30.00%	30.00%
19	PT Unsoco (Unsoco)	Indonesia	Joint Venture	30.00%	30.00%
20	PT Barasentosa Lestari (PTBSL)	Indonesia	Joint Venture	30.00%	30.00%
21	PT Duta Sarana Internusa (PTDSI)	Indonesia	Joint Venture	30.00%	30.00%

18 The entities consolidated with GMCAC are listed below.

Sl. No.	Name of the entity	Country of incorporation	Relationship with GIL as at March 31, 2021	Percentage of effective ownership interest held (directly and indirectly) by GIL as at	
				March 31, 2021	March 31, 2020
1	Mactan Travel Retail Group Co. (MTRGC)	Philippines	Joint Venture	12.75%	18.75%
2	SSP-Mactan Cebu Corporation (SMCC)	Philippines	Joint Venture	12.75%	18.75%

Notes to the consolidated financial statements for the year ended March 31, 2021

3. Property, plant and equipment

(₹ in crore)

Particulars	Freehold land	Runways, taxiways, aprons etc.	Buildings (including roads)	Bridges, culverts, bunders etc.	Plant and machin-ery	Leasehold improve-ments	Office equipments (inclu-ding computers)	Furniture and fixtures (including electrical installations and equipments)	Vehicles and aircrafts	Total	Capital work in progress	Total
Gross carrying amount												
As at April 01, 2019	**38.17**	**2,296.40**	**5,963.48**	**322.98**	**2,846.51**	**176.12**	**159.88**	**1,264.02**	**251.24**	**13,318.80**	**857.03**	**14,175.83**
Additions	-	391.41	145.08	-	62.36	6.47	48.90	103.71	9.13	767.06	3,454.23	4,221.29
Disposals	-	-	(23.83)	-	(17.81)	-	(13.03)	(6.63)	(2.86)	(64.16)	-	(64.16)
Capitalisations	-	-	-	-	-	-	-	-	-	-	(502.24)	(502.24)
Exchange differences (Refer note 2.b)	-	1.71	5.28	-	2.77	-	0.01	0.99	-	10.76	-	10.76
Other adjustments (Refer note 5)	-	(32.18)	(40.42)	0.72	(5.73)	(1.26)	(1.70)	(1.67)	(0.03)	(82.27)	-	(82.27)
As at March 31, 2020	**38.17**	**2,657.34**	**6,049.59**	**323.70**	**2,888.10**	**181.33**	**194.06**	**1,360.42**	**257.48**	**13,950.19**	**3,809.02**	**17,759.21**
Additions	-	127.63	169.53	2.06	86.90	19.28	21.65	104.70	8.53	540.28	2,992.56	3,532.84
Disposals	(0.09)	-	(3.96)	-	(4.70)	(0.19)	(7.67)	(3.72)	(1.81)	(22.14)	-	(22.14)
Capitalisations	-	-	-	-	-	-	-	-	-	-	(185.93)	(185.93)
Exchange differences (Refer note 2.b)	-	-	-	-	-	-	0.01	-	-	0.01	-	0.01
Other adjustments (Refer note 5)	-	-	(0.24)	-	(1.39)	-	-	-	(0.01)	(1.64)	-	(1.64)
As at March 31, 2021	**38.08**	**2,784.97**	**6,214.92**	**325.76**	**2,968.91**	**200.42**	**208.05**	**1,461.40**	**264.19**	**14,466.70**	**6,615.65**	**21,082.35**
Accumulated Depreciation												
As at April 01, 2019	**-**	**448.94**	**1,131.48**	**53.22**	**1,104.61**	**47.55**	**64.13**	**784.51**	**69.94**	**3,704.38**	**-**	**3,704.38**
Charge for the year	-	128.25	271.77	13.39	291.57	14.67	34.06	132.44	17.47	903.62	-	903.62
Disposals	-	-	(3.14)	-	(12.42)	-	(12.68)	(6.16)	(2.81)	(37.21)	-	(37.21)
Other adjustments	-	-	-	-	0.05	-	(0.33)	-	-	(0.28)	-	(0.28)
As at March 31, 2020	**-**	**577.19**	**1,400.11**	**66.61**	**1,383.81**	**62.22**	**85.18**	**910.79**	**84.60**	**4,570.51**	**-**	**4,570.51**
Charge for the year	-	142.63	267.58	13.39	287.84	11.11	40.08	110.90	18.04	891.57		891.57
Disposals	-	-	(0.54)	-	(4.47)	(0.04)	(7.65)	(2.09)	(1.81)	(16.60)		(16.60)
As at March 31, 2021	**-**	**719.82**	**1,667.15**	**80.00**	**1,667.18**	**73.29**	**117.61**	**1,019.60**	**100.83**	**5,445.48**	**-**	**5,445.48**
Net carrying amount												
As at March 31, 2020	**38.17**	**2,080.15**	**4,649.48**	**257.09**	**1,504.29**	**119.11**	**108.88**	**449.63**	**172.88**	**9,379.68**	**3,809.02**	**13,188.70**
As at March 31, 2021	**38.08**	**2,065.15**	**4,547.77**	**245.76**	**1,301.73**	**127.13**	**90.44**	**441.80**	**163.36**	**9,021.22**	**6,615.65**	**15,636.87**

Notes:

1. Buildings (including roads) with gross carrying amount of ₹ 6,133.56 crore (March 31, 2020: ₹ 5,908.54 crore), runways, taxiways, aprons, bridges, culverts, bunders etc. are on leasehold land.

2. Foreign exchange differences in gross carrying amount:

   a. Foreign exchange gain of ₹ 0.01 crore (March 31, 2020: gain of ₹ 0.02 crore) on account of translating the financial statement items of foreign entities using the exchange rate at the balance sheet date.

   b. The MCA, Government of India ('GoI') vide its Notification No GSR 225 (E) dated March 31, 2009 prescribed certain changes to AS - 11 on 'The Effects of Changes in Foreign Exchange Rates'. The Group has, pursuant to adoption of such prescribed changes to the said Standard, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which

Notes to the consolidated financial statements for the year ended March 31, 2021

they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets. Exchange differences are capitalized as per paragraph D13AA of Ind AS 101 ‘First time adoption’ availing the optional exemption that allows first time adopter to continue capitalization of exchange differences in respect of long term foreign currency monetary items recognized in the consolidated financial statement for the period ending immediately beginning of the first Ind AS financial reporting period as per the previous GAAP.

Foreign exchange loss of ₹ 10.74 crore in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets have been adjusted against property, plant and equipment in the year ended March 31, 2020.

The sunset date for transitional provisions to AS 11, which allowed deferment/ capitalization of exchange differences arising on long-term monetary items was valid till March 31, 2020. Accordingly, foreign exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets have not been adjusted against property, plant and equipment in the year ended March 31, 2021.

3. The property, plant and equipment of the Group has been pledged for the borrowings taken by the Group. Also refer note 18 and note 23.

4. Depreciation for the year of ₹ 1.51 crore (March 31, 2020: ₹ 1.58 crore) related to certain consolidated entities in the project stage, which are included in capital work-in-progress.

5. Other adjustments in gross carrying amount include reversal of input credit of GST amounting to ₹ Nil (March 31, 2020: ₹ 77.90 crore) and reversal of liability of vendors on final settlement amounting to ₹ 1.64 crore (March 31, 2020: ₹ 2.11 crore) pertaining to construction works which were earlier capitalised.

6. Buildings include space given on operating lease having gross carrying amount of ₹ 190.87 crore (March 31, 2020: ₹ 235.47 crore), depreciation charge for the year of ₹ 6.35 crore (March 31, 2020: ₹ 7.84 crore), accumulated depreciation of ₹ 67.66 crore (March 31, 2020: ₹ 75.54 crore) and net carrying amount of ₹ 123.21 crore (March 31, 2020: ₹ 159.93 crore).

7. Also refer note 41(a) for disclosures of contractual commitments for the acquisition of property, plant and equipment.

Notes to the consolidated financial statements for the year ended March 31, 2021

4. Right of use assets

(₹ in crore)

Particulars	Land	Buildings (including roads)	Plant and machinery	Leasehold improv-ements	Office equipments (including computers)	Vehicles and aircrafts	Furniture and fixtures (including electrical installations and equipments)	Total
Gross carrying amount								
As at April 01, 2019	**0.65**	**102.13**	**4.29**	**11.30**	**1.21**	**4.70**	**0.10**	**124.38**
Additions	-	0.95	-	-	-	-	-	0.95
Disposals	-	(2.98)	-	-	-	-	-	(2.98)
As at March 31, 2020	**0.65**	**100.10**	**4.29**	**11.30**	**1.21**	**4.70**	**0.10**	**122.35**
Additions	-	14.98	-	-	0.05	7.19	0.32	22.54
Disposals	-	(0.59)	(0.87)	-	-	-	-	(1.46)
Other adjustments	-	(3.67)	-	0.27	-	-	-	(3.40)
As at March 31, 2021	**0.65**	**110.82**	**3.42**	**11.57**	**1.26**	**11.89**	**0.42**	**140.03**
Accumulated Depreciation								
As at April 01, 2019	**-**	**-**	**-**	**-**	**0.28**	**-**	**-**	**0.28**
Charge for the year	0.26	8.56	2.03	0.26	0.47	4.27	0.03	15.88
As at March 31, 2020	**0.26**	**8.56**	**2.03**	**0.26**	**0.75**	**4.27**	**0.03**	**16.16**
Charge for the year	0.16	8.97	1.71	2.20	0.44	3.66	0.11	17.25
Disposals	-	(0.31)	(0.45)	-	-	-	-	(0.76)
Other adjustments	-	-	-	(0.03)	-	-	-	(0.03)
As at March 31, 2021	**0.42**	**17.22**	**3.29**	**2.43**	**1.19**	**7.93**	**0.14**	**32.62**
Net carrying amount								
As at March 31, 2020	**0.39**	**91.54**	**2.26**	**11.04**	**0.46**	**0.43**	**0.07**	**106.19**
As at March 31, 2021	**0.23**	**93.60**	**0.13**	**9.14**	**0.07**	**3.96**	**0.28**	**107.41**

Notes

1. Accumualted depreciation as on April 01, 2019 represents assets taken on finance lease which was earlier classified in property, plant and equipements.
2. Depreciation of ₹ 0.14 crore (March 31, 2020: Rs 0.17 crore) has been charged to capital work in progress.

Notes to the consolidated financial statements for the year ended March 31, 2021

5 Investment property

(₹ in crore)

Particulars	Investment property		Investment property under construction	Total
	Land	Buildings		
Gross carrying amount				
As at April 01, 2019	**208.20**	**39.76**	**2,894.72**	**3,142.68**
Acquisitions during the year	1.00	-	1.14	2.14
Expenses capitalised during the year	-	-	356.70	356.70
Disposals	(6.46)	-	-	(6.46)
As at March 31, 2020	**202.74**	**39.76**	**3,252.56**	**3,495.06**
Acquisitions during the year	1.68	-	-	1.68
Expenses capitalised during the year	**-**	**-**	**291.52**	**291.52**
Disposals (refer note 48(ii))	(51.12)	(13.07)	(2,945.48)	(3,009.67)
Asset classified as held for sale (refer note 36)	(64.93)	-	(171.63)	(236.56)
Other Adjustments	-	-	(5.00)	(5.00)
As at March 31, 2021	**88.37**	**26.69**	**421.97**	**537.03**
Accumulated depreciation				
As at April 01, 2019	**-**	**2.89**	**-**	**2.89**
Charge for the year	-	0.89	-	0.89
As at March 31, 2020	**-**	**3.78**	**-**	**3.78**
Charge for the year	-	0.90	-	0.90
Disposals		(2.16)		(2.16)
As at March 31, 2021	**-**	**2.52**	**-**	**2.52**
Net carrying amount				
As at March 31, 2020	**202.74**	**35.98**	**3,252.56**	**3,491.28**
As at March 31, 2021	**88.37**	**24.17**	**421.97**	**534.51**

Notes :

(a) Information regarding income and expenditure of Investment property:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Rental income derived from investment property	4.71	9.10
Less: Direct operating expenses (including repairs and maintenance) generating rental income	(2.53)	(3.33)
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	(2.52)	(3.84)
Profit arising from investment property before depreciation	**(0.34)**	**1.93**
Less: Depreciation for the year	(0.90)	(0.89)
Profit arising from investment property	**(1.24)**	**1.04**

(b) Investment property under construction including land as at March 31, 2021 represents 1,284 acres (March 31, 2020 : 10,833 acres) of land held by the Group consisting of 814 acres (March 31, 2020 : 1,325 acres) of land held by GKSIR for the purpose of SEZ at Krishnagiri, 470 acres (March 31, 2020 : 1,267 acres) of land held by various other entities and Nil (March 31, 2020 : 8,241 acres) of land held by KSL for the purpose of SEZ and industrial in Kakinada.

(c) Refer note 36(b) and 36(c).

(d) Investment property of the Group has been pledged for the borrowing taken by the Group. Refer note 18 and note 23.

(e) Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 42 for details on future minimum lease rentals.

(f) Refer to note 41 (a) for disclosure of contractual commitments for investment property.

(g) Fair value hierarchy disclosures for investment property have been provided in note 52.

Notes to the consolidated financial statements for the year ended March 31, 2021

6. Goodwill on Consolidation

(₹ in crore)

Particulars	
Gross carrying amount	
As at April 01, 2019	458.56
As at March 31, 2020	458.56
As at March 31, 2021	**458.56**
Accumulated impairment	
As at April 01, 2019	**-**
Charge / other adjustments for the year	**21.88**
As at March 31, 2020	**21.88**
Charge / other adjustments for the year	-
As at March 31, 2021	**21.88**
Net carrying amount	
As at March 31, 2020	436.68
As at March 31, 2021	**436.68**

Notes:

i) Allocation of Goodwill to reportable segments:

The goodwill amounting to ₹ 436.68 crore (March 31, 2020 : ₹ 436.68 crore) acquired through business combination has been entirely allocated to 'Airport' segment of the Group.

ii) Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated to the following CGUs for impairment testing purpose with carrying amount of goodwill being significant in comparison with the entity's total carrying amount of goodwill with indefinite useful lives :

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Goodwill relating to GAL	346.89	346.89
Goodwill relating to DIAL	57.13	57.13
Goodwill relating to DAPSL	32.66	32.66
Total	**436.68**	**436.68**

The recoverable amount of the above mentioned Groups, for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a period ranging from 60-62 years, as based on the agreements with respective authorities.

iii) Key assumptions used for value in use calculations are as follows: *#

The Group prepares its cash flow forecasts based on the most recent financial budgets approved by management with projected revenue growth rate ranges from 0% to 127% (March 31, 2020: 0% to 48%) for the forecast period. The rate used to discount the forecasted cash flows ranges from 15% to 15.50% (March 31, 2020: 15.00% to 15.50%) .

*** Discount rates -** Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

 # Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports.

Notes to the consolidated financial statements for the year ended March 31, 2021

7. Other intangible assets

(₹ in crore)

Particulars	Airport concessionaire rights	Capitalised software	Carriage-ways	Technical know-how	Power Plant concessionaire rights	Right to Cargo facility	Total	Intangible assets under development
Gross carrying amount								
As at April 01, 2019	**430.47**	**25.31**	**2,732.69**	**8.98**	**14.82**	**26.34**	**3,238.61**	**1.25**
Additions	-	15.01	1.68	-	-	3.72	20.41	1.20
Disposals	-	(0.20)	-	-	-	(0.05)	(0.25)	-
As at March 31, 2020	**430.47**	**40.12**	**2,734.37**	**8.98**	**14.82**	**30.01**	**3,258.77**	**2.45**
Additions	-	4.62	-	-	-	2.56	7.18	3.82
Disposals	-	(0.06)	-	-	-	-	(0.06)	-
Adjustments	-	(1.80)	-	-	-	-	(1.80)	-
As at March 31, 2021	**430.47**	**42.88**	**2,734.37**	**8.98**	**14.82**	**32.57**	**3,264.09**	**6.27**
Accumulated amortisation and impairment								
As at April 01, 2019	**45.10**	**15.74**	**285.25**	**8.98**	**6.22**	**10.27**	**371.56**	**-**
Charge for the year	8.21	3.60	106.22	-	0.82	4.88	123.73	-
Disposals	-	(0.14)	-	-	-	(0.05)	(0.19)	-
As at March 31, 2020	**53.31**	**19.20**	**391.47**	**8.98**	**7.04**	**15.10**	**495.10**	**-**
Charge for the year	8.21	4.93	78.43	-	0.90	4.10	96.57	-
Disposals	-	(0.06)	-	-	-	-	(0.06)	-
As at March 31, 2021	**61.52**	**24.07**	**469.90**	**8.98**	**7.94**	**19.20**	**591.61**	**-**
Net carrying amount								
As at March 31, 2020	**377.16**	**20.92**	**2,342.90**	**-**	**7.78**	**14.91**	**2,763.67**	**2.45**
As at March 31, 2021	**368.95**	**18.81**	**2,264.47**	**-**	**6.88**	**13.37**	**2,672.48**	**6.27**

1. Amortisation for the year of ₹ 0.10 crore (March 31, 2020: ₹ Nil) related to certain consolidated entities in the project stage, which are included in capital work-in-progress.

Notes to the consolidated financial statements for the year ended March 31, 2021

8A. Interest in Joint ventures

(1) Details of joint ventures :

Name of the Entity	Country of incorporation / Place of Business	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020		
a) Material Joint Ventures :							
GMR Megawide Cebu Airport Corporation (GMCAC) [4]	Philippines	20.40%	30.00%	40.00%	40.00%	Operates the Mactan Cebu International Airport.	Equity Method
Delhi Duty Free Services Private Limited (DDFS) [8]	India	24.97%	36.73%	66.93%	66.93%	Operates Duty free shop at Indira Gandhi International Airport, New Delhi.	Equity Method
GMR Energy Limited (GEL) and its components [3, 9]	India	69.58%	69.58%	51.73%	51.73%	Owns / operates / constructs thermal, solar and hydro power plants through its subsidiaries and joint ventures.	Equity Method
PT Golden Energy Mines TBK (PTGEMS) and its components [4, 10]	Indonesia	30.00%	30.00%	30.00%	30.00%	Coal mining and trading operations in Indonesia .	Equity Method
b) Others : Delhi Aviation Services Private Limited (DASPL)[8]	India	16.32%	24.00%	50.00%	50.00%	Manages the operation of bridge mounted equipment and supply potable water at Indira Gandhi International Airport, New Delhi.	Equity Method
Delhi Aviation Fuel Facility Private Limited (DAFFPL)[8]	India	8.49%	12.48%	26.00%	26.00%	Operates aircraft refueling facility at Indira Gandhi International Airport, New Delhi.	Equity Method
Laqshya Hyderabad Airport Media Private Limited (Laqshya)[8]	India	15.74%	23.16%	49.00%	49.00%	Provides outdoor media services for display of advertisement at Hyderabad Airport.	Equity Method
GMR Bajoli Holi Hydropower Private Limited (GBHHPL) [5, 8]	India	6.57%	9.67%	20.14%	20.14%	180 MW hydro based power project under construction	Equity Method
Limak GMR Joint Venture (Limak) [4]	Turkey	50.00%	50.00%	50.00%	50.00%	Joint venture formed for construction of ISG airport, Turkey.	Equity Method
Megawide GMR Construction JV, Inc. (MGCJV Inc.) [4,6,8]	Philippines	25.50%	45.00%	50.00%	45.00%	Joint venture formed for construction of Clark Airport, Phillipines.	Equity Method
GIL SIL JV	India	51.00%	51.00%	51.00%	51.00%	Engaged in Engineering, Procurement and Construction (EPC) activites	Equity Method
Mactan Travel Retail Group Co. (MTRGC)[8]	Philippines	12.75%	18.75%	50.00%	50.00%	Develops, set-up, operates, maintains and manages the duty paid retails outlets at the Mactan Cebu International Airport.	Equity Method
SSP-Mactan Cebu Corporation (SMCC)[8]	Philippines	12.75%	18.75%	50.00%	50.00%	Develops, set-up, operates, maintains and manages the food and beverage outlets at the Mactan Cebu International Airport.	Equity Method
Heraklion Crete International Airport S.A. (Crete) [4,8]	Greece	11.04%	16.23%	21.64%	21.64%	Develop, construct, operate and management of the New Heraklion Airport.	Equity Method
GMR Logistics Park Private Limited (GLPPL) [7,8]	India	9.64%	NA	30.00%	NA	Engages is in business of leasing of commercial spaces.	Equity Method

Notes to the consolidated financial statements for the year ended March 31, 2021

Notes :

1 Aggregate amount of unquoted investment in joint ventures - ₹ 2,604.18 crore (March 31, 2020 : ₹ 3,283.77 crore).

2 Aggregate amount of quoted investment in joint ventures - ₹ 3,675.85 crore (March 31, 2020 : ₹ 3,611.21 crore). The trading of shares is suspended since January, 2018 hence the market value of quoted investments in joint ventures as at reporting date is not available. Also refer Note 8(b)(13)(ii).

3 During the year ended March 31, 2019, the Group has accounted for the put option to acquire additional 17.85% stake from investors in regard to GMR Energy Limited at an agreed amount. However, the same has been considered for effective holding but not for voting rights since March 31, 2019. GEL and its components together have been referred to as 'GEL Group'.

4 The reporting dates of the joint ventures entities coincide with the Holding Company except in case of GMCAC, PTGEMS and its components, Limak, MGCJV Inc. and Crete whose financial statements for the year ended on and as at December 31, 2019 and December 31, 2020 as applicable were considered for the purpose of consolidated financial statements of the Group as these are the entities incorporated outside India and their financials statements are prepared as per calender year i.e. January to December.

5 Shareholding excludes the shares held by GEL in GBHHPL.

6 During the year, the Group has purchased additional equity of 5% in MGCJV.

7 Refer note 45(xviii) for additional details.

8 Refer note 45(xiii) for additional details.

9 GEL, its subsidiaires and joint ventures as detailed in note 2.3 have been referred to as 'GEL and its components'

10 PTGEMS, its subsidiaires and joint ventures as detailed in note 2.3 have been referred to as 'PTGEMS and its components'

Notes to the consolidated financial statements for the year ended March 31, 2021

2 Summarised financial information for material joint ventures

(₹ in crore)

Particulars	GEL and its components**		DDFS		GMCAC		PTGEMS and its components		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2021	March 31, 2020
Current assets										
Cash and cash equivalents	19.54	31.43	12.55	6.96	149.11	164.60	1,481.73	960.20	1,662.93	1,163.19
Assets classified as held for disposal	136.91	119.86	-	-	-	-	-	-	136.91	119.86
Other assets	846.78	788.13	137.03	335.74	149.58	185.41	1,498.48	1,665.08	2,631.87	2,974.36
Total current assets	**1,003.23**	**939.42**	**149.58**	**342.70**	**298.69**	**350.01**	**2,980.21**	**2,625.28**	**4,431.71**	**4,257.41**
Non current assets										
Non current tax assets	9.72	13.40	2.10	1.76	-	-	-	-	11.82	15.16
Deferred tax assets	-	-	19.60	10.26	-	-	50.46	50.87	70.06	61.13
Other non current assets	5,269.26	5,649.56	369.65	308.94	5,056.30	4,680.90	2,915.17	2,896.49	13,610.38	13,535.89
Total non current assets	**5,278.98**	**5,662.96**	**391.35**	**320.96**	**5,056.30**	**4,680.90**	**2,965.63**	**2,947.36**	**13,692.26**	**13,612.18**
Current liabilities										
Financial liabilities (excluding trade payable)	2,360.56	2,342.09	45.51	60.88	125.48	76.61	551.35	393.60	3,082.90	2,873.18
Current tax liabilities	27.76	27.75	1.79	1.79	-	-	119.60	31.08	149.15	60.62
Other liabilities (including trade payable)	337.85	379.65	68.43	188.70	329.55	194.88	1,744.91	1,559.81	2,480.74	2,323.04
Total current liabilities	**2,726.17**	**2,749.49**	**115.73**	**251.37**	**455.03**	**271.49**	**2,415.86**	**1,984.49**	**5,712.79**	**5,256.84**
Non current liabilities										
Financial liabilities (excluding trade payable)	3,033.85	2,761.80	89.70	36.75	3,509.05	3,343.74	730.30	796.56	7,362.90	6,938.85
Deferred tax liabilities	19.62	40.51	-	-	109.23	70.62	170.71	167.58	299.56	278.71
Other liabilities (including trade payable)	211.38	188.51	5.84	6.68	40.45	36.92	75.66	66.52	333.33	298.63
Total non current liabilities	**3,264.85**	**2,990.82**	**95.54**	**43.43**	**3,658.73**	**3,451.28**	**976.67**	**1,030.66**	**7,995.79**	**7,516.19**
Less : Non controlling interest	**(12.84)**	**(13.43)**	**-**	**-**	**-**	**-**	**(21.21)**	**(16.71)**	**(34.05)**	**(30.14)**
Net assets	**278.35**	**848.64**	**329.66**	**368.86**	**1,241.23**	**1,308.14**	**2,532.10**	**2,540.78**	**4,381.34**	**5,066.42**

** Refer note 8a(1)(4)

Notes to the consolidated financial statements for the year ended March 31, 2021

3 Reconciliation of carrying amounts of material joint ventures

(₹ in crore)

Particulars	GEL and its components**		DDFS		GMCAC		PTGEMS and its components		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2021	March 31, 2020
Opening net assets	848.64	1,543.58	368.86	328.89	1,308.14	1,166.49	2,540.78	2,195.13	5,066.42	5,234.09
Profit / (loss) for the year	(570.02)	(731.35)	(39.48)	146.47	(170.91)	68.40	695.77	459.36	(84.64)	(57.12)
Other Comprehensive income	(0.27)	(0.80)	0.28	(0.40)	(0.06)	(0.55)	(2.42)	(7.62)	(2.47)	(9.36)
Dividends paid	-	-	-	(88.00)	-	-	(762.94)	(161.53)	(762.94)	(249.53)
Dividend distribution tax	-	-	-	(18.10)	-	-	-	-	-	(18.10)
Foreign currency translation difference account	-	-	-	-	103.24	73.80	60.91	55.43	164.15	129.23
Other adjustments	-	37.21	-	-	0.82	-	-	-	0.82	37.21
Closing net assets	**278.35**	**848.64**	**329.66**	**368.86**	**1,241.23**	**1,308.14**	**2,532.10**	**2,540.78**	**4,381.34**	**5,066.42**
Proportion of the Group's ownership**	69.58%	69.58%	66.93%	66.93%	40.00%	40.00%	30.00%	30.00%		
Group's share	193.68	590.49	220.65	246.88	496.49	523.26	759.63	762.23	1,670.45	2,122.86
Adjustments to the equity values										
a) Fair valuation of investments	2,862.53	2,862.53	-	-	-	-	-	-	2,862.53	2,862.53
b) Goodwill	-	-	80.03	80.03	-	-	2,916.22	2,848.98	2,996.25	2,929.01
c) Additional impairment charge (refer note 8b(13)(i))	(2,152.13)	(1,923.63)	-	-	-	-	-	-	(2,152.13)	(1,923.63)
d) Acquisition of 17.85% stake	400.25	400.25	-	-	-	-	-	-	400.25	400.25
e) Other adjustments	(32.01)	(32.01)	-	-	-	-	-	-	(32.01)	(32.01)
Carrying amount of the investment	**1,272.32**	**1,897.63**	**300.68**	**326.91**	**496.49**	**523.26**	**3,675.85**	**3,611.21**	**5,745.34**	**6,359.01**

** Refer note 8a(1)(4)

4 Summarised statement of profit & loss for material joint ventures

(₹ in crore)

Particulars	GEL and its components		DDFS		GMCAC		PTGEMS and its components		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2021	March 31, 2020
Revenue from operations	1,512.93	1,880.50	272.23	1,414.59	165.78	501.95	7,861.86	7,777.59	9,812.80	11,574.63
Interest income	16.27	7.39	17.14	17.44	4.84	10.61	46.52	90.34	84.77	125.78
Depreciation and amortisation expenses	178.55	180.03	43.37	36.79	8.99	8.10	116.74	158.20	347.65	383.12
Finance Cost	613.45	651.24	9.68	9.83	157.66	130.27	67.01	80.05	847.80	871.39
Other expenses (net of other income)	1,322.03	1,417.45	275.90	1,189.39	142.59	280.43	6,782.96	6,920.15	8,523.48	9,807.42
Tax expenses / (income)	(22.02)	287.48	(0.10)	49.55	32.30	25.36	231.66	240.64	241.84	603.03
Profit / (loss) from continuing operations	(562.81)	(648.31)	(39.48)	146.47	(170.91)	68.40	710.01	468.89	(63.19)	35.45
Loss from discontinued operations	(4.36)	(83.63)	-	-	-	-	-	-	(4.36)	(83.63)
Profit / (loss) for the year	(567.17)	(731.94)	(39.48)	146.47	(170.91)	68.40	710.01	468.89	(67.55)	(48.18)
Less : Non controlling interest	(0.55)	(0.59)	-	-	-	-	14.26	9.53	13.71	8.94
Profit / (loss) for the year attributable to parent	(566.62)	(731.35)	(39.48)	146.47	(170.91)	68.40	695.75	459.36	(81.26)	(57.12)
Other comprehensive income/(loss)	(0.27)	(0.80)	0.28	(0.40)	(0.06)	(0.55)	(1.62)	(7.97)	(1.67)	(9.72)
Less : Non controlling interest	(0.04)	-	-	-	-	-	0.80	0.35	0.76	0.35
Other comprehensive income/(loss) attributable to parent	(0.23)	(0.80)	0.28	(0.40)	(0.06)	(0.55)	(2.42)	(7.62)	(2.43)	(9.37)
Total comprehensive income/(loss) to parent	(566.85)	(732.15)	(39.20)	146.07	(170.97)	67.85	693.33	451.74	(83.69)	(66.49)
Less : DDT paid	-	-		(18.09)	-	-	-	-	-	(18.09)
Total comprehensive income/(loss) to parent net of DDT	(566.85)	(732.15)	(39.20)	127.98	(170.97)	67.85	693.33	451.74	(83.69)	(84.58)
Other Adjustments	(2.85)	-	-	-	-	-	-	-	(2.85)	-
Total comprehensive income/(loss) to parent net of DDT and other adjustments	(569.70)	(732.15)	(39.20)	127.98	(170.97)	67.85	693.33	451.74	(86.54)	(84.58)
Group share of profit / (loss) for the year	(396.81)	(509.43)	(26.24)	85.66	(68.39)	27.14	208.00	135.52	(283.43)	(261.11)
Additional impairment charge (Group share)	(228.50)	(680.91)	-	-	-	-	-	-	(228.50)	(680.91)
Dividend received by Group from joint ventures	-	-		58.90	-	-	228.88	48.46	228.88	107.36

Notes to the consolidated financial statements for the year ended March 31, 2021

5 Financial information in respect of oher joint ventures

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Aggregate carrying amount of investments in individually immaterial joint ventures	534.69	535.97
Aggregate amount of Group's share of :		
- Profit for the year from continuing operations	14.03	29.00
- Other comprehensive income for the year	0.05	(0.03)
- Total comprehensive income for the year	14.08	28.97
- Less : DDT paid	-	(1.34)
- Total comprehensive income for the year (net of DDT)	**14.08**	**27.63**

6 Contingent liabilities in respect of joint ventures (Group's share)

a) Contingent liabilities (Group's share)

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Contingent Liabilities		
Corporate guarantees	417.48	528.81
Bank guarantees outstanding / Letter of credit outstanding	354.13	451.45
Disputed entry tax liabilities	102.67	102.67
Claims against the Group not acknowledged as debts	318.76	1,469.51
Disputed arrears of electricity charges	43.91	54.08
Matters relating to income tax under dispute	9.75	6.62
Matters relating to indirect taxes duty under dispute	42.21	41.52
Disputed demand for deposit of fund setup by water resource department	36.50	36.50
Total	**1,325.41**	**2,691.16**

b) Notes

i) The management of the Group believes that the ultimate outcome of the above matters will not have any material adverse effect on the Group’s consolidated financial position and result of operations.

ii) Refer note 49(b) with regard to corporate guarantee provided by the Group on behalf of joint ventures.

iii) A search under section 132 of the IT Act was carried out at the premises of GEL and certain entities of the GEL Group by the income tax authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 2013 to check the compliance with the provisions of the IT Act. The income tax department has subsequently sought certain information / clarifications. During the year ended March 31, 2015 and March 31, 2016, block assessments have been completed for some of the companies of the Group and appeals have been filed with the income tax department against the disallowances made in the assessment orders. The management of the Group believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

iv) GKEL and GWEL has been made a party to various litigation in relation to land acquired and other matters for their power project. The compensation award has already been deposited with the Government and the possession of all these lands have already been handed over to GKEL/GWEL. In all these matters there are no adverse interim orders as at March 31, 2019. The management of the Group believes that the claims filed against GKEL/GWEL are not tenable and does not have any adverse impact on the consolidated financial statements.

v) GEL had entered into a Power Purchase Agreements ('PPAs') with Karnataka Power Transmission Corporation Limited for supply of energy during the period December 15, 1997 to July 7, 2008. GEL had a Fuel Supply Agreement (‘FSA’) with a fuel supplier towards purchase of Naphtha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event there was a shortfall in the purchase of the annual guaranteed quantity.

During the year ended March 31, 2013, GEL received a demand towards liquidated damages amounting to ₹ 296.16 crore along with an interest of ₹ 5.55 crore towards failure of GEL to purchase the annual guaranteed quantity for the period from November 21, 2001 to June

6, 2008 under the erstwhile FSA. GEL had disputed the demand from the supplier towards the aforementioned damages. Further, GEL has filed its statement of defense and counter claim amounting to ₹ 35.96 crore along with interest at the rate of 18% p.a.

The matter was under arbitration. During the year ended March 31, 2017, the Arbitration Tribunal issued its arbitral award directing the fuel supplier to pay ₹ 32.21 crore to GEL towards its counter claim filed by GEL and rejected the claims of the fuel supplier. Subsequently, the fuel supplier filed an appeal before the District Civil Court of Bangalore for setting aside the entire arbitration award. The fuel supplier has also filed an interim application under Section 36 of the Arbitration and Conciliation Act for grant of interim stay on execution of the Arbitration award. The District City Civil Court vide its order issued the stay order on the operation of the Arbitration Award on furnishing of a bank guarantee by the fuel supplier equivalent to 50% of counter claim amount. Fuel supplier has filed writ petition before Karnataka High Court for setting aside the interim stay order dated March 04, 2017. Karnataka high court has dismissed the objection petition. GEL has filed execution petition before Delhi High Court for execution of Arbitral award, the outcome of which is awaited.

Fuel supplier has filed an appeal before Bangalore High court against the order passed by the District Civil Court. Hon'ble High Court, ordered stay of the Award subject to Fuel supplier depositing 50% of the Award amount. Hon'ble High Court has allowed GEL to withdraw the amount on furnishing BG of equivalent amount. GEL has filed application for permission to withdraw amount upon submission of Corporate Guarantees. During the year ended March 31, 2020, High court allowed GEL's Application with the condition that GEL give Affidavit-cum-Undertaking to state that it will not encumber/sell its land offered as security, till the disposal of the Appeal of fuel supplier.

Further, based on submission of two Corporate Guarantee copies by GEL and GGAL and Affidavit of undertaking by GMR Budelkhand Energy Limited the court had permitted GEL to withdraw the amount which has been deposited by the fuel supplier on a condition that GEL shall re-deposit the aforesaid amount before the court, within a time frame to be stipulated by the Court at the time of final disposal if the fuel supplier is successful in the appeal. The amount withdrawn by GEL has been shown as payable under other financial liabilities.

The final outcome of the case is pending conclusion. However, based on its internal assessment and a legal opinion, the management of the Group is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made to the consolidated financial statements of GEL and the claim from the fuel supplier has been considered as a contingent liability.

vi) During the year ended March 31, 2019, GEL received a notice of arbitration from one of the joint venture shareholders of GKEL seeking the Company to purchase their 10.20% stake in GKEL for ₹ 288.18 crore as per the terms of the shareholding agreement. During the year ended March 31, 2021, the arbitral tribunal pronounced an award directing GEL to purchase 21.93 crore shares of GKEL held by he joint venture shareholders by paying them aggregate sum of ₹ 288.18 crore approximately plus interest calculated @ 2% above the SBI PLR from October 11 2018 till the date of award within 30 days from the date of award failing which it carries interest @18% per annum till the date of payment.

The Management of GEL is of the opinion that the invocation of the arbitration proceedings is invalid as the fund buyout obligation under the Share Subscription and Shareholder Agreement has not been validly triggered. The Management of GEL had filed a petition to challenge the award before the Hon'ble High Court of Bombay under and on the grounds available in section 34 and section 29A of the Arbitration and Conciliation Act, 1996. Subsequent to year ended March 31 2021, GEL has entered into a term sheet with the joint venture shareholder of GKEL for purchase of 21.90 crore shares of GKEL held by the joint venture shareholder for an aggregate consideration of ₹ 219.30 crore, which is to be paid in tranches as per the due dates agreed in the term sheet.

vii) As at March 31, 2021, the amount payable in foreign currency by the Group to certain vendors of USD 0.79 crore (March 31,2020 : USD 0.88 crore) is outstanding for more than 3 years. The Group is in the process of filing the application with RBI for condonation of delay and it is confident that such delays will not require any adjustments to the consolidated financial statements.

viii) GEL and GVPGL (referred to as 'GEL Group' for this note) have entered into Technical Service Agreement ('TSA') and Parts and Repair Work Supply Agreement ('PRWST') with General Electric International Inc. and its affiliates (collectively referred as 'GE') for scheduled maintenance of gas turbines in gas based power plants. GE has raised invoices on respective companies as per the terms in the agreement, which are outstanding as at date. GEL Group has not paid the liability in contravention with Master Circular issued by the Reserve Bank of India ('RBI') on Import of Goods and Services dated 1 July 2014 (as amended). During the year ended March 31, 2020, GE served demand notice to GEL under section 8 of the Insolvency and Bankruptcy Code, 2016 of India demanding payment of outstanding amount. Pursuant to the above, the GEL Group and GE., entered into a settlement, wherein the GEL Group has agreed to pay the outstanding dues to GE as per the proposed payment plan mentioned in the settlement agreement. In case the GEL Group fail to make payment as per the agreed schedule, the GEL Group agreed to pay additional interest as per the TSA. On July 18, 2020, GE approached International Court of Arbitration of the International Chamber of Commerce (ICC) by filling

Notes to the consolidated financial statements for the year ended March 31, 2021

Emergency Application under ICC Arbitration Rules against the GEL Group. The Emergency Arbitrator, having jurisdiction to adjudicate a contract between the GEL Group and one of the affiliate of General Electric International Inc., vide its order dated August 3, 2020, directed the GL Group to pay the dues to GE. During the year ended March 31, 2021, the GEL Group, in accordance with the order of the emergency arbitrator and approval of the RBI (as per which no penalty or delay fee was charged), has paid the dues to GE. The GEL Group is in the process of filling the application with the RBI for condonation of delay and for approval of payment of remaining amount and hence no adjustments have been made in the consolidated financial statements. During the year ended March 31, 2021, the overseas vendors had initiated arbitration proceeding towards recovery of such overdue payable, which is pending in the Arbitral Tribunal of International Court of Arbitration of International Chamber of Commerce.

ix) The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 ('the Order') invoked Section 11 of the Electricity Act, 2003 ('the Electricity Act') and directed GEL to supply power to the State Grid during the period January 1, 2009 to May 31, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. GEL had a contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue in respect of power supplied during January 2009 has been recognised in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to ₹ 44.76 crore.

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, revenue for the four months period ended June 5, 2009 has been recognised, on a prudent basis, as per the rate specified in the Order. The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, dismissed the petition of GEL challenging the Order invoking section 11(1) of the Electricity Act with a direction that if the Order had any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Electricity Act empowered to offset the adverse financial impact in such manner as it considers appropriate. GEL had filed a Special Leave Petition ('SLP') before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim order staying the operation of the said Order and to direct Electricity Supply Companies to pay minimum rate prescribed by KERC.

Additionally, GEL filed a petition before KERC to decide on the adverse financial impact suffered by GEL because of invoking of powers u/s 11 (1), in reply to which the Government of Karnataka undertakings ('respondents') filed their reply on April 26, 2012 contesting GEL's claim of ₹ 166.75 crore and made a counter claim of ₹ 223.53 crore against GEL on account of adverse impact suffered by the respondents. In response to counter claim made by the respondent, GEL filed an updated petition with KERC on September 6, 2012.

In reply to the petition filed by GEL, KERC, vide their order dated November 30, 2012 through a majority judgment directed for a tariff of ₹ 6.90 / Kwh for the entire period for which the Order was in force to offset the adverse financial impact suffered by GEL. GEL has filed an appeal before the APTEL, New Delhi challenging the KERC's order to the limited extent that KERC has failed to fully offset the adverse financial impact suffered by GEL. Further, during the year ended March 31, 2013, GEL has withdrawn its SLP filed before the Hon'ble Supreme Court of India.

During the year ended March 31, 2014, respondents filed a review petition before KERC against the majority judgment passed by it, which was rejected by KERC. During the year ended March 31, 2015, GEL has received an order dated May 23, 2014 from APTEL allowing them tariff of ₹ 6.90 per unit for all electricity supplied from January 1, 2009 to May 31, 2009 and directed the respondents to pay interest at the rate of 12% from the date of KERC order. The respondents have filed a civil appeal before the Hon'ble Supreme Court of India against APTEL order and GEL has filed an execution petition seeking execution of the above mentioned order of APTEL.

During the year ended March 31, 2016, the Hon'ble Supreme Court of India has passed the interim orders directing the customer to pay the dues to GEL against GEL furnishing security of immovable property/ bank security. GEL has received an amount of Rs 67.16 crore from the customers, pursuant to which it has recognised differential revenue of ₹ 22.39 crore during the year ended March 31, 2016. Further, the final order from Hon'ble Supreme Court of India is pending receipt. In view of the above, the management of GEL is confident that there will not be any adverse financial impact on GEL with regard to the aforementioned transactions and accordingly, no adjustments have been made to the consolidated financial statements of GEL for the year ended March 31, 2021.

x) State of Himachal Pradesh has filed claim against GBHHPL in District court of Himachal Pradesh seeking 1% additional free power from GBHHPL based on New Hydro Power Policy, 2008.

xi) In case of GBHHPL, petition have been filed with Hon'ble Supreme Court challenging the grant of environmental clearance and approval granted for diversion of Forest land for shifting of project site from right to left bank of river Ravi.

Notes to the consolidated financial statements for the year ended March 31, 2021

xii) GKEL entered into agreement with SEPCO in 2008 for the construction and operation of a coal fired thermal power plant. Disputes arose between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the power plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. An Arbitral Tribunal was constituted to adjudicate upon the disputes between the parties. SEPCO filed its claim and GKEL filed its counter claims before the Arbitral Tribunal. The Arbitral Tribunal has passed an Award on September 7, 2020 on the issues before it except the issues of interest and cost. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) applied for correction of the Award under Section 33 of the Arbitration & Conciliation Act, 1996. The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020 (the "Award"). The net impact of the Award on GKEL could be approximately ₹ 984.62 crore, payable by GKEL to SEPCO (including ₹ 689.88 crore of bank guarantee invoked by GKEL). GKEL has already made a provision of ₹ 1,103.17 crore in its books towards any such liability and thus there is no additional impact in books of accounts due to the Award. GKEL has challenged the Award under Section 34 of the Arbitration and Conciliation Act, 1996 (Act) before the High Court of Orissa on 15 February 2021. Based on legal advice obtained, GKEL has a good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same and thus GKEL is not expecting cash outflow in this matter. GKEL has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make GKEL liable for payment since liability is disputed as GKEL has challenged the award before the Hon'ble High Court of Orissa.

xiii) The management is of the opinion that the grant of Long Term Open Access ('LTOA') is beyond the generation capacity of the plant and requirement of reduction of LTOA was not on GKEL, own accord but was forced due to reasons attributable to implementing agencies. The management is hopeful of getting relief as requested in its petition before Appellate Tribunal of Electricity (‘APTEL’) and does not foresee any financial implication on such relinquishment that requires any adjustment in consolidated financial statements

GKEL has entered into a Bulk Power Transmission Agreement ('BPTA') with PGCIL for availing LTOA for inter-state transmission of 220MW of power to western region from its fourth unit of generating station on long term basis in future. The said BPTA was amended with revision in its commissioning schedule to September 2017. GKEL provided bank guarantees of ₹ 11 crore against the said BPTA. GKEL was unable to get longer term or medium term PPA for the generation of 4th Unit and had to temporarily suspend its construction and since the matter was beyond the control of GKEL, surrendered the transmission facility under force majeure conditions. GKEL had filed a petition with CERC to consider the relinquishment under force majeure without any liability to it.

CERC had informed to take up the matter for adjudication after its decision in petition no. 92/MP/2015. The order in case of 92/MP/2015 was pronounced during the year wherein the CERC has decided that relinquishment charges have been payable in certain circumstances and methodology of such computation of relinquishment charges. It further ordered Power Grid Corporation that the transmission capacity which is likely to be stranded due to relinquishment of LTA shall be assessed based on load flow studies and directed it to calculate the stranded capacity and the compensation (relinquishment charges) payable by each relinquishing long term customer as per methodology specified in the Order respectively within one month of date of issue of the Order and publish the same on its website. The CERC order held that the relinquishment charges were liable to be paid for the abandoned projects.

As per calculations furnished by Power Grid Corporation of India Limited ('PGCIL') in terms of order in 92/MP the relinquishment charges for the 220 MW surrendered capacity is Rs 3.05 crore (at sr. no. 48 of the list published on the website of PGCIL). However PGCIL have not yet raised any demand against this Order. Further GKEL has challenged the Order and filed an Appeal in association with APP before APTEL in appeal no 417/2019.

xiv) DDFS had filed three refund applications dated January 1, 2018 under section 11(B) of Central Excise Act, 1944 seeking refund of ₹ 40.62 crore being the service tax and cess paid on license fees, marketing fees, airport services charges and utility charges during the period October 2016 to June 2017 for services rendered to DDFS at the duty-free shops at T-3, IGI Airport, Delhi. Such refund claims were filed in pursuance of the decision of the CESTAT Mumbai in Commissioner of Service Tax - VII, Mumbai vs. Flemingo Duty Free Pvt Ltd 2018 (8) GSTL 181 (Tri. Mumbai) (Flemingo) wherein it was held that service tax on license fee was not payable since services were provided outside taxable territory.

In respect of the said refund applications, DDFS received a Show Cause Notice (SCN) dated August 24, 2018 that refund claims for the period October 2016 to January 2017 were barred by limitation and refund cannot be processed. Vide order dated September 6, 2018, the Assistant Commissioner, CGST held that only the period of October 2016 to December 2016 is barred by limitation and denied refund of ₹ 12.78 crore. The balance amount of ₹ 27.84 crore was allowed in favour of DDFS and subsequently refunded to the DDFS, which was recognized as income in Statement of Profit and Loss during the quarter and six months ended September 30, 2018 when this refund was received. The

Notes to the consolidated financial statements for the year ended March 31, 2021

Department filed an appeal against the aforesaid Order dated September 6, 2018 before Commissioner (Appeals) to the extent refund of ₹ 27.84 crore held to be payable to DDFS. The said appeal of the Department has been rejected by the Commissioner (Appeals) vide Order dated May 18, 2020. On August 4, 2020 the Department filed an appeal before the CESTAT, New Delhi against the order of Commissioner (Appeal) dated May 18, 2020.

As against denial of refund of Rs 12.78 crore, DDFS filed an appeal before the Commissioner (Appeals) who rejected the appeal on May 10, 2019 and upheld the Order dated September 6,.2018. DDFS filed an appeal before the CESTAT, New Delhi who allowed the appeal of DDFS vide its Order dated August 14, 2019 and held that since service tax was not payable on license fee, the limitation prescribed under Section 11B of the Central Excise Act, 1944 has no application. Accordingly, refund of ₹ 12.78 crore is allowed in favour of DDFS. The Department served a copy of the appeal along with application for stay against the CESTAT Order dated August 14, 2019 before the Delhi High Court in March 2020 which has yet to be listed.

DDFS had also filed application dated December 31, 2018 with the Department for the period April 2010 to September 2016 seeking refund of service tax and cess amounting to ₹182.13 crore paid on the input services (concession fee, marketing fee, airport service charges and utility charges) rendered to DDFS at the duty-free shops at T-3, IGI Airport, Delhi. The Assistant Commissioner issued the Order dated June 26, 2019 rejecting the claim filed by DDFS that the Duty-free shops are in non-taxable territory. DDFS filed an appeal on August 7, 2019 against the Assistant Commissioner's Order before Commissioner (Appeals) and received an Order dated May 26, 2020 in favour of DDFS allowing the refund of ₹ 182.13 crore. DDFS requested the Asst. Commissioner to process the refund based on the Order passed by the Commissioner (Appeals). The Assistant Commissioner issued a SCN dated August 4, 2020 asking DDFS to explain that the refund claim is not hit by the bar of unjust enrichment as incidence of duty appears to be passed by DDFS to their customers at the time of sale of goods. Subsequently on August 4, 2020 the Department filed an appeal before the CESTAT, New Delhi against the Order of Commissioner (Appeals) dated May 26, 2020. DDFS filed a reply before the CESTAT on December 24, 2020 against the department's appeal dated August 4, 2020 before the CESTAT which has yet to be listed.

In the meanwhile, the Assistant Commissioner issued two separate Orders dated December 10, 2020 on the respective SCNs and rejected the refund of service tax of Rs 182.13 crore and Rs 12.78 crore. On December 23, 2020 DDFS filed a rectification / recall request under Section 74 of the Finance Act, 1994 against both the rejection Orders before the Assistant Commissioner. Subsequently DDFS also filed an Appeal against both the rejection Orders of the Assistant Commissioner, before the Commissioner (Appeals) on February 15, 2021, which is yet to be heard.

DDFS has received responses from the Assistant Commissioner vide its letter dated March 3,.2021 and March 15, 2021 with reference to both the rectification / recall request for an amount of Rs 12.78 crore and Rs 182.13 crore respectively. The letters states that there is no mistake / error in both the Orders dated December 10, 2020 and DDFS may file an appeal before the appropriate authority.

Having regard to status of matters referred above and in view of inherent uncertainty in predicting final outcome of above litigations, involving refunds, which is sub-judice, refund of ₹ 27.84 crore (as at March 31,2020 ₹ 27.84 crore) received in an earlier year has been considered as contingent liability by the management.

Notes to the consolidated financial statements for the year ended March 31, 2021

(₹ in crore)

8b. Interest in Associates

1. Details of Associates :

Name of the Entity	Country of incorporation / Place of Business	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020		
a) Material associates :							
GMR Rajahmundry Energy Limited (GREL)2	India	36.97%	45.00%	45.00%	45.00%	Owns and operates 768 MW combined cycle gas based power plant at Rajahmundry, Andhra Pradesh.	Equity Method
b) Others :							
TIM Delhi Airport Advertising Private Limited (TIMDAA) [3]	India	16.29%	23.95%	49.90%	49.90%	Provides advertisement services at Indira Gandhi International Airport, New Delhi.	Equity Method
Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM) [3]	India	8.49%	12.48%	26.00%	26.00%	Provides Cargo services at Indira Gandhi International Airport, New Delhi.	Equity Method
Travel Food Services (Delhi Terminal 3) Private Limited (TFS) [3]	India	13.06%	19.20%	40.00%	40.00%	Provides food and beverages services at Indira Gandhi International Airport, New Delhi.	Equity Method
DIGI Yatra Foundation (Digi) [3]	India	12.00%	17.65%	37.00%	37.00%	A central platform for identity management of passengers as Joint Venture of private airport operators and Airport Authority of India.	Equity Method

Notes :

1. Aggregate amount of unquoted investment in associates - ₹ 120.30 crore (March 31, 2020 : ₹ 117.77 crore).
2. Refer note 47(ii) for additional details.
3. Refer note 45(xiii) for additional details.

2. Summarised financial information for material associates

(₹ in crore)

Particulars	GREL		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current assets				
Cash and cash equivalents	1.59	2.38	1.59	2.38
Other assets	17.23	18.39	17.23	18.39
Total current assets	**18.82**	**20.77**	**18.82**	**20.77**
Non current assets				
Non current tax assets	0.13	0.13	0.13	0.13
Other non current assets	1,954.27	2,063.18	1,954.27	2,063.18
Total non current assets	**1,954.40**	**2,063.31**	**1,954.40**	**2,063.31**

Notes to the consolidated financial statements for the year ended March 31, 2021

(₹ in crore)

Particulars	GREL		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current liabilities				
Financial liabilities (excluding trade payable)	224.56	151.78	224.56	151.78
Other liabilities (including trade payable)	44.22	44.23	44.22	44.23
Total current liabilities	**268.78**	**196.01**	**268.78**	**196.01**
Non current liabilities				
Financial liabilities (excluding trade payable)	2,509.94	2,471.44	2,509.94	2,471.44
Deferred tax liabilities	-	0.45	-	0.45
Other liabilities (including trade payable)	15.46	14.06	15.46	14.06
Total non current liabilities	**2,525.40**	**2,485.95**	**2,525.40**	**2,485.95**
Net assets	**(820.96)**	**(597.88)**	**(820.96)**	**(597.88)**

3. Reconciliation of carrying amounts of material associates (₹ in crore)

Particulars	GREL		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening net assets	(597.88)	(422.93)	(597.88)	(422.93)
Loss for the year	(223.11)	(174.97)	(223.11)	(174.97)
Other Comprehensive income	0.03	0.02	0.03	0.02
Closing net assets	**(820.96)**	**(597.88)**	**(820.96)**	**(597.88)**
Proportion of the group's ownership	45.00%	45.00%	45.00%	45.00%
Group's share	(369.43)	(269.05)	(369.43)	(269.05)
Adjustments to the equity values				-
a) Additional impairment charge (refer note 8(b)13(i) and (iii))	(425.04)	(425.04)	(425.04)	(425.04)
b) Loans adjusted against provision for loss in associates	371.61	354.83	371.61	354.83
c) Amount shown under provisions (note 21) *	422.86	339.26	422.86	339.26
Carrying amount of the investment	**-**	**-**	**-**	**-**

* The Group has recognised the liability to the extent of its constructive obligation in GREL.

4. Summarised Statement of Profit & Loss for material associates (₹ in crore)

Particulars	GREL		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest income	0.88	13.47	0.88	13.47
Depreciation and amortisation expenses	108.94	108.95	108.94	108.95
Finance Cost	110.13	129.31	110.13	129.31
Other expenses (net of other income)	4.92	(49.82)	4.92	(49.82)
Profit / (loss) for the year	(223.11)	(174.97)	(223.11)	(174.97)
Other comprehensive income	0.03	0.02	0.03	0.02
Total comprehensive income	(223.08)	(174.95)	(223.08)	(174.95)
Total comprehensive income to parent net of DDT	(223.08)	(174.95)	(223.08)	(174.95)
Group share of profit / (loss) for the year	(100.39)	(78.73)	(100.39)	(78.73)
Net Group share of profit / (loss) for the year	(100.39)	(78.73)	(100.39)	(78.73)

Notes to the consolidated financial statements for the year ended March 31, 2021

5. Financial information in respect of other associates (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Aggregate carrying amount of investments in individually immaterial associates	120.30	117.77
Aggregate amount of group's share of :		
- Profit for the year from continuing operations	22.05	25.67
- Other comprehensive income for the year	0.02	0.16
- Total comprehensive income for the year	**22.07**	**25.83**
- Less : DDT paid	-	(1.95)
- Total comprehensive income for the year (net of DDT)	**22.07**	**23.88**

6. Carrying amount of investments accounted for using equity method * (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Aggregate amount of individually material joint ventures (refer note 8(a))	5,745.34	6,359.01
Aggregate amount of individually material associates (refer note 8(b))	-	-
Aggregate amount of individually immaterial joint ventures (refer note 8(a))	534.69	535.97
Aggregate amount of individually immaterial associates (refer note 8(b))	120.30	117.77
Total	**6,400.33**	**7,012.75**

*the movement in carrying amount in joint ventures and associates also includes movement due to new investments made during the year and foreign exchange translation reserve.

7. Share of loss of investments accounted for using equity method (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Material joint ventures	(283.43)	(261.11)
Material associates	(100.39)	(78.73)
Other joint ventures	16.06	27.63
Other associates	22.07	23.88
Total	**(345.69)**	**(288.33)**

8. Exceptional items (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Material joint venture and associates (refer note 8b(13)(i))	(228.50)	(680.91)
Total	**(228.50)**	**(680.91)**

9. (a) Contingent liabilities in respect of associates (Group's share) (₹ in crore)

Particulars	March 31, 2021	March 31 2020
Bank guarantees outstanding	-	3.91
Claims against the Group not acknowledged as debts	0.78	0.80
Matters relating to income tax under dispute	4.12	4.12
Matters relating to indirect taxes duty under dispute	0.02	-
Total	**4.92**	**8.83**

Notes:

i) Refer Note 49(b) with regard to corporate guarantee provided by the Group on behalf of associates.

Notes to the consolidated financial statements for the year ended March 31, 2021

10. Capital Commitments in respect of joint ventures and associates

a) Capital commitments in respect of joint ventures

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	53.79	159.36

b) Capital commitments in respect of associates

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	0.44	0.21

11 Other Commitments of / towards joint ventures and associates

i) Certain entities in power sector have entered into Power Purchase Agreements ('PPAs') with customers, pursuant to which these entities have committed to sell power of contracted capacity as defined in the respective PPAs, make available minimum Power Load Factor (PLF) over the period of tariff year as defined in the respective PPAs. The PPAs contain provision for disincentives and penalties in case of certain defaults.

ii) Certain entities in power sector have entered into fuel supply agreements with suppliers whereby these entities have committed to purchase and suppliers have committed to sell contracted quantity of fuel for defined period as defined in the respective fuel supply agreements, including the fuel obtained through the suppliers outside India.

iii) One of the overseas entities in power sector and the Government of Indonesia (Government) have entered into coal sale agreement for a defined period pursuant to which the entity is required to pay to the Government, amount equivalent to a specified percentage of proceeds from sale of the coal by the entity. Further, based on a regulation of the Government, all Companies holding mining rights have an obligation to pay an exploitation fee equivalent to certain percentage, ranging from 3% - 5% of sales, net of selling expenses and in certain cases, it is required to pay fixed payment (deadrent) to the Government based on total area of land in accordance with the rates stipulated therein.

iv) One of the overseas entities in power sector (as the buyer) and its joint ventures (as the seller) in power sector have entered into a coal sale agreement for sale and purchase of coal, whereby the buyer entity and seller entity have committed to, respectively, take delivery and to deliver, minimum specified percentage of the annual tonnage as specified in the agreement for each delivery year, based on the agreed pricing mechanism. The buyer entity is also committed to use the coal for the agreed use, provided that it shall not sell any coal to any person domiciled or incorporated in the country in which the seller entity operates.

v) One of the overseas entities in power sector has entered into a Cooperation Agreement with a third party whereby the entity is required to pay Land management fee from USD 1/ton up to USD 4.75/ton based on the provision stated in the agreement.

vi) One of the overseas entities in power sector has entered into a Road Maintenance Agreement with third parties whereby the entity is required to maintain the road during the road usage period.

vii) Certain entities in the power sector have entered into long term assured parts supply and maintenance agreements with sub-contractors whereby these entities have committed to pay fixed charges in addition to variable charges based on operating performance as defined in the agreements. The entities have also committed to pay incentives on attainment of certain parameters by the sub-contractors.

viii) GEL has provided commitment to subsidiaries and joint ventures to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.

ix) One of the entities in airports sector has entered into a tripartite Master Service Agreement ('MSA') with the service provider and the holding company of the service provider, whereby this entity is committed to pay annually to the service provider if the receivable of the service provider falls short of subsistence level (as defined in the said MSA). This agreement was amended vide addendum number 17, dated April 05, 2018 to add one more party. Also in case of delay in payment of dues from customers to the service provider, this entity would fund the deficit on a temporary basis till the time the service provider collects the dues from aforementioned customers.

x) In respect of Group's investments in certain jointly controlled entities, other joint venture partners have the first right of refusal in case any of the joint venture partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

xi) In respect of Group's investments in jointly controlled entities, the Group cannot transfer / dispose its holding for a period as specified in the respective joint venture agreements.

xii) Shares of the certain joint ventures have been pledged as security towards loan facilities sanctioned to the Group. Refer Note 18 and 23.

xiii) The Group has committed to provide continued financial support to some of the joint ventures and associates, to ensure that these entities are able to meet their debts and liabilities as they fall due and they continue as going concerns.

xiv) Certain entities in power sector have made a commitment towards expenditure on corporate social responsibility activities amounting to ₹ 33.82 crore (March 31, 2020 : ₹ 32.69 crore).

Notes to the consolidated financial statements for the year ended March 31, 2021

xv) GEL has entered into a Share Subscription and Share Holding Agreement with Infrastructure Development Finance Company Limited ('shareholder') in which it has committed to the shareholder that either GEL directly, or indirectly (along with the other group Companies as defined in the shareholding agreement) will hold at least 51% of the paid up equity share capital of GKEL.

xvi) In terms of the prescribed new environmental norms notified as per Environment (Protection) Amendment Rules, 2015, GWEL is required to install the Flue Gas Desulphurization Systems (FGD) to control emission from the power plant for by 2022.

xvii) Certain joint ventures and associates of the Group have restrictions on their ability to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group resulting from borrowing arrangements, regulatory requirements or contractual arrangements entered by the Group.

12 Trade receivables in respect of joint ventures and associates

GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') on March 17, 2010 for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL. APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claim of ₹ 611.58 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2021. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion.

In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of ₹ 611.58 crore relating to the period from March 17, 2014 to March 31, 2021 (including ₹ 75.81 crore for the year ended March 31, 2021) in the financial statements of GWEL.

13 Others

i) The Group has investments of ₹ 1,272.32 crore as at March 31, 2021 (March 31 2020 ₹ 1,897.63 crore) and loan (including accrued interest) (net of impairment) amounting to ₹ 745.12 crore in GMR Energy Limited ('GEL') (including its subsidiaries and joint ventures), a joint venture of the Group and in GMR Rajahmundry Limited ('GREL'), an associate of GMR Generation Assets Limited ("GGAL"), subsidiary of the Group, as at March 31, 2021. GEL has certain underlying subsidiaries / joint ventures which are engaged in energy sector. GREL, GEL and some of its underlying subsidiaries / joint ventures, as further detailed in notes (iii), (iv), (v) and (vii) below have substantially eroded net worth. Based on the valuation assessment by an external expert during the year ended March 31, 2021 and the sensitivity analysis carried out for some of the aforesaid assumptions, the value so determined after discounting the projected cash flows using discount rate ranging from 10.83% to 21.83% across various entities, the management has accounted for an impairment loss of ₹ 228.50 crore as at March 31, 2021 (March 31, 2020 ₹ 680.91 crore) in the value of Group's investment in GEL and its subsidiaries/ joint ventures which has been disclosed as an exceptional item in the consolidated financial statements of the Group for the year ended March 31, 2021. The management is of the view that post such diminution, the carrying value of the Group's investment in GEL and provision created against future liabilities for GREL is appropriate.

ii) The Group has investments of Rs 3,675.85 crore in PTGEMS, a joint venture of the Group as at March 31, 2021 (March 31, 2020 ₹ 3611.21 crore). PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The cost of investments made by the Group is significantly higher than the book value of assets of PTGEMS and includes certain future benefits including Coal Supply Agreement ('CSA') of GCRPL with PTGEMS whereby the Group is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount other than profit from mining operations. Though the shares of PTGEMS are listed on the overseas exchanges, the management is of the view that the quoted prices are not reflective of the underlying value of the mines as in the past few years the shares have been very thinly traded. Based on profitable mining operations, ramp up of production volumes and other assumptions around off take at a discounted price and trading thereof in valuation assessment carried out by an external expert during the year ended March 31, 2021, the management of the Group believes that the carrying value of aforesaid investments in PTGEMS as at March 31, 2021 is appropriate.

iii) In view of lower supplies / availability of natural gas to the power generating companies in India, GEL, GVPGL and GREL are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013. GVPGL and GREL emerged as successful bidders in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 and October 2015 respectively till September 2016 by using Regasified Liquefied Natural Gas ('RLNG') as natural gas. These entities have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

GREL had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015. As a result, the consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme ('SDR'). Pursuant to the scheme, borrowings aggregating to ₹ 1,308.57 crore and interest accrued thereon amounting to ₹ 105.42 crore was converted into equity shares of GREL for 55% stake in equity share capital of GREL and the Group had given a guarantee of Rs 2,571.71 crore to the lenders against the remaining debt. Under the SDR Scheme, the bankers had to find new promoters for GREL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Consequent to the SDR and the conversion of loans into equity share capital by the consortium of lenders, GREL ceased to be a subsidiary

Notes to the consolidated financial statements for the year ended March 31, 2021

of the Group and the Group has accounted its investments in GREL under the Equity Method as per the requirements of Ind AS - 28.. During the year ended March 31,2019, considering that GREL continued to incur losses in absence of commercial operations, the consortium of lenders has decided to implement a revised resolution plan which has been approved by all the lenders and accordingly the lenders have restructured the debt. The Group has provided guarantees to the lenders against the servicing of sustainable debts having principal amounting to ₹ 1,116.00 crore and all interests there on, including any other obligation arising out of it and discharge of the put option in regard to Cumulative Redeemable Preference Shares ('CRPS') (unsustainable debt) amounting to Rs 940.59 crore, if any exercised by the CRPS lenders, as per the terms of the revised resolution plan.

During the year ended March 31, 2018, pursuant to the appeal filed by Andhra Pradesh Discoms ('APDISCOMs'), the Hon'ble Supreme Court held that RLNG is not natural gas and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG. GVPGL had also filed petition claiming losses of ₹ 447.00 crore pertaining to capacity charges pertaining to period 2006 to 2008 before Andhra Pradesh Electricity Regulatory Commission ('APERC'). Over the years, the case was heard for deciding the jurisdiction to adjudicate the proceedings. During the year ended March 31, 2019, the Hon'ble High Court of Andhra Pradesh passed its Judgment and held that the Central Electricity Regulatory Commission ('CERC') has the jurisdiction to adjudicate the aforesaid claims of GVPGL. Further, during the year ended March 31, 2020, the Andhra Pradesh DISCOMs (APDISCOMs') appealed against, the aforesaid judgement before the Hon'ble Supreme Court. The Supreme Court vide its order dated February 4, 2020 dismissed the aforesaid petition of the DISCOMs and held that CERC will have jurisdiction to adjudicate the disputes in the present case and directed CERC to dispose off the petition filed before it within six months. The matter is pending to be heard before the CERC as at March 31, 2021. Additionally, during the year ended March 31, 2020, in case of GVPGL's litigation with APDISCOMs, wherein APDISCOMS refused to accept declaration of capacity availability on the basis of deep water gas citing that natural gas for the purpose of PPA does not include Deep Water Gas and consequent refusal to schedule power from GVGPL and pay applicable tariff including capacity charges, CERC has passed order dated January 28, 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas. Accordingly, GVGPL is entitled to claim capacity charges from APDISCOMs from October 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge. GVGPL has calculated a claim amount of ₹ 741.31 crore for the period from November 2016 till February 2020. GVPGL has not received any of the aforesaid claims and is confident of recovery of such claims in the future based on CERC order.

During the year ended March 31, 2020, GEL entered into a Sale and Purchase Agreement with a prospective buyer for a consideration of USD 1.55 crore for sale of the Barge Mounted Power Plant ('Barge Plant') on as is where is basis, out of which USD 0.30 crore has been received till March 31, 2020. The transaction was expected to be completed by May 31, 2020. However, the dismantling work is on hold due to COVID - 19. The management is confident of completing the transfer of Barge Plant during the financial year ended March 31, 2022. Since the estimate of realizable value amounting ₹ 112.01 crore done by the management as at March 31, 2021 is consistent with the consideration for the Barge Plant as per the agreement, no further impairment charge is required.

Further, the management of the Group is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management of the Group carried out a valuation assessment of GREL and GVPGL during the year ended March 31, 2021 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, tying up of PPA, realization of claims for losses incurred in earlier periods and current period from the customer and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The business plan of GREL considered for valuation assessment has been approved by the consortium of lenders at the time of execution of the resolution plan. The management of the Group will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise and GEL will be able to dispose off the Barge Power Plant as per the aforementioned Sale and Purchase agreement. Based on the aforementioned reasons, claims for capacity charges and business plans, the management is of the view that the carrying value of net assets of GVPGL by GEL as at March 31, 2021 is appropriate. The Group has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debts.

iv GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of GEL is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended March 31, 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated April 17, 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court. Based on its internal assessment and a legal opinion, the management of the Group is confident of obtaining the requisite clearances and based on business plan and a valuation assessment carried out by an external expert during the year ended March 31, 2021, the management of the Group is of the view that the carrying value of net assets of GBHPL by GEL as at March 31, 2021 is appropriate.

v) GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL has accumulated losses of ₹ 703.86 crore as at March 31, 2021 which has resulted in substantial erosion of GWEL's net worth. GWEL had claimed compensation for coal cost pass through and various ""change in law"" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of ₹ 714.72 crore which are substantially pending receipt.

Notes to the consolidated financial statements for the year ended March 31, 2021

Based on certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables. Further, GWEL received notices from one of its customer disputing payment of capacity charges of ₹ 132.01 crore for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Accordingly, during the year ended March 31, 2021, GWEL filed petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable. Further, in view of the ongoing COVID-19 pandemic and expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL. However, GWEL has certain favourable interim orders towards the aforementioned claims. Further during the year ended March 31, 2021, GWEL basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVD-19 related stress prescribed by RBI on December 30, 2020 in respect of all the facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by GWEL as on the invocation date. In this regard, all the lenders of GWEL have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021 and a Resolution Plan is to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI, which is still under progress.

The management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2021, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the pending outcome of the debt resolution plan with the lenders of GWEL, the management of the Group is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2021 is appropriate.

vi) GMR Kamalanga Energy Limited ('GKEL'), a joint venture of GEL, is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of ₹ 1,813.41 crore as at March 31, 2021, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. Further, GKEL has trade receivables, other receivables and unbilled revenue (including claims) of ₹ 1,418.05 crore as at March 31, 2021, for coal cost pass through and various ""change in law"" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL.

GKEL in view of the Supreme Court Order in Energy Watchdog vs CERC and others and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discom. Considering opinion received from legal counsels that GKEL has good tenable case with virtual certainty with respect to coal cost pass through and favourable Order from APTEL dated December 21, 2018 and CERC judgment in GKEL's own case for Haryana Discom where the computation methodology of coal cost pass through was decided, the management was virtually certain on receipt of the GKEL's claim of revenue on coal cost pass through and was of the opinion that no contingency was involved in this regard. GKEL has now received a favourable order on September 16, 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discom, based on a certain methodology. However, GKEL has filed a review petition with Hon'ble Appellate Tribunal for Electricity dated November 14, 2019 against this methodology on the grounds that the methodology stated in this order, even though favourable, is contradictory to the methodology stated in the earlier order of CERC in GKEL's case with Haryana Discom. Accordingly, GKEL continued to recognize the income on Coal Cost Pass through claims of ₹ 17.78 crore for the year ended March 31, 2021

GKEL has accounted for transportation cost of fly ash as change in law event as the same was agreed in principle by CERC vide Order 131/MP/2016 dated February 21, 2018 and on March 22, 2021 in case no 405/MP/2019, CERC allowed to recover ash transportation costs including GST from Bihar and Haryana Discoms. Similarly, CERC in its order dated April 8, 2019 has allowed Maithan Power Limited in case no – 331/MP/2018 to recover the actual ash disposal expenses from its beneficiaries (DVC).

Based on the above orders of CERC, GKEL has recognised revenue amounting to Rs 13.40 Cr for GRIDCO during the year ended March 31, 2021 post complying with the conditions mandated in this regard. GKEL has filed petition with CERC for determination of compensation of transportation charges of fly ash as per Order.

Further, as detailed below there are continuing litigation with SEPCO Electric Power Construction Corporation (SEPCO) ('Capital Creditors') which are pending settlement. Further during the year, GKEL has won the bid for supply of balance 150 MW to Haryana Discom. GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 0.36 crore ton which is within a distance of 15 KM from the plant site. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.04 crore ton of coal for balance 150 MW.

Further, during the year ended March 31, 2020, as part of the strategic initiatives being undertaken by the management to ensure liquidity and timely payment of its obligations, the management of GEL, entered into share purchase agreement with JSW Energy Limited for sale of its equity stake in GKEL. However, during the previous year ended March 31, 2020, the said transaction has been called off due to uncertainties on account of COVID – 19 pandemic.

Further, GKEL had entered agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and

Notes to the consolidated financial statements for the year ended March 31, 2021

operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 7, 2020 against GKEL. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability in excess of the amount as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL has challenged the award under section 34 of the Arbritation and Conciliation Act, 1996 before the Hon'able High Court of Orissa on February 15, 2021. Based on the legal opinion obtained, GKEL has good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same as thus the is not expecting cash outflow in this matter.

In view of these matters, business plans (including expansion and optimal utilization of existing capacity, rescheduling/ refinancing of existing loans at lower rates), valuation assessment by an external expert during the year ended March 31, 2021, the management is of the view that the carrying value of the net assets in GKEL held by GEL as at March 31, 2021 is appropriate.

vii Also refer note 20(2) & 20(3)

8c. Financial Assets - Non-current investments (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Investments carried at fair value through consolidated statement of profit or loss		
In equity shares of other companies	0.56	0.56
In venture capital fund	245.22	-
Investments at amortised cost		
Investment in Debentures[1,2]	164.35	142.00
In other securities	-	4.83
	410.13	**147.39**
Aggregate book value of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate value of unquoted investments	**410.13**	**147.39**

1. During the year ended March 31, 2011, GSPHPL had invested ₹ 100.00 crore in Kakinada Infrastructure Holding Private Limited (KIHPL), a shareholder in KSPL, through cumulative optionally convertible debentures with coupon rate of 0.10% p.a. GSPHPL is entitled to exercise the option of conversion of the aforesaid debentures into equity shares of KIHPL at a mutually agreed valuation at any time not exceeding 36 months from the date of execution of the debenture agreement (March 18, 2011). This period had been extended for 18 months with effect from March 18, 2014, which has been further extended for 36 months from September 18, 2015. Further during the year ended March 31, 2019, the terms of the agreement had been extended for 12 months and which had been further extended till September, 2020 in the previous year. In the event GSPHPL does not exercise the option to convert the debentures into shares within the said period, the debentures shall be compulsorily converted by KIHPL into equity shares on expiry of the aforementioned period. Considering the abovementioned facts, the investment in KIHPL of ₹ 100.00 crore has been carried at amortised cost as at March 31, 2020. During the year ended March 31, 2021, pursuant to amendment to the Debenture Subscription Agreement dated March 9, 2021, Rs 25.00 crore has beed received as at March 31, 2021 and balance Rs 75.00 crore is scheduled be received on or before December 31, 2021, hence classified as current investment.
2. During the year ended March 31, 2020, GIDL has invested ₹ 42.00 crore in GMR Infra Services Limited (GISL), a shareholder in GAL, through non convertible, non cumulative redeemable debentures with coupon rate of 0.001% p.a.. The investment in GISL of ₹ 42.00 crore has been carried at amortised cost as per Ind AS 109.

9. Trade receivables

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Unsecured, considered good				
Trade Receivables from external parties	147.50	109.86	1,059.64	1,294.06
Receivables from joint ventures and associates (refer note 49)	-	-	78.81	122.25
Receivables from other related parties (refer note 49)	-	-	7.12	7.53
Total (A)	**147.50**	**109.86**	**1,145.58**	**1,423.84**
Trade receivables- credit impaired				
Unsecured, credit impaired	28.79	28.80	9.05	8.56

Notes to the consolidated financial statements for the year ended March 31, 2021

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Total (B)	**28.79**	**28.80**	**9.05**	**8.56**
Loss allowance				
Less: Trade receivable - loss allowance (C)	(28.79)	(28.80)	(9.05)	(8.56)
Total (A+B+C)	**147.50**	**109.86**	**1,145.58**	**1,423.84**

(i) Refer note 49 for trade or other receivables due from directors or other officers of the Group either severally or jointly with any other person and trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Includes retention money deducted by customers to ensure performance of the Group's obligations and hence are receivable on the completion of contract or after the completion of defect liability period as defined in the respective contract and accordingly no discounting has been done for the same.

10. Loans

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Security Deposit				
Unsecured, considered good				
Security deposit includes deposits with related parties (refer note 49)	0.03	0.12	5.51	3.00
Security deposit with others	433.83	25.05	26.68	26.51
Unsecured- credit impaired	0.20	0.20	-	-
	434.06	**25.37**	**32.19**	**29.51**
Loss allowance				
Less: Deposit receivable - credit impaired	(0.20)	(0.20)	-	-
Total (A)	**433.86**	**25.17**	**32.19**	**29.51**
Other loans				
Unsecured, considered good				
Loan to related parties (refer note 49)	1,055.61	381.85	632.33	877.37
Loan to employees	0.22	1.83	12.12	1.74
Loan to others	39.17	38.88	36.64	8.36
	1,095.00	**422.56**	**681.09**	**887.47**
Loan receivable - credit impaired				
Loan to others	100.00	100.00	-	-
Loan to associates/ joint ventures	212.00	212.00	221.00	21.00
	312.00	312.00	221.00	21.00
Loss allowance				
Less: Loan receivable - credit impaired	(312.00)	(312.00)	(221.00)	(21.00)
Total (B)	**1,095.00**	**422.56**	**681.09**	**887.47**
Total (A+B)	**1,528.86**	**447.73**	**713.28**	**916.98**

1. Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Group. The carrying value may be affected by the changes in the credit risk of the counter parties.
2. The Group made a provision for diminution in the value of loan of ₹ 200.00 crore as at March 31, 2021 (March 31, 2020: ₹ Nil) which has been disclosed as an 'exceptional item' in the consolidated financial statements for the year ended March 31, 2021.
3. No loans are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to the consolidated financial statements for the year ended March 31, 2021

11. Other financial assets

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 15)	64.50	190.80	-	-
Total (A)	**64.50**	**190.80**	**-**	**-**
Derivative instruments at fair value through OCI				
Derivatives designated as hedge (refer note 51)	1,255.97	1,599.69	238.62	-
Total (B)	**1,255.97**	**1,599.69**	**238.62**	**-**
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedge (refer note 51)	-	274.35	-	-
Total (C)	**-**	**274.35**	**-**	**-**
Unsecured, considered good unless stated otherwise				
Receivable against service concession arrangements	768.42	822.11	199.99	231.08
Unbilled revenue (refer note 49)	12.01	12.49	950.75	892.85
Interest accrued on fixed deposits	0.03	0.10	23.55	77.32
Interest accrued on long term investments including loans to group companies (refer note 49)	41.34	1.25	90.08	42.62
Non trade receivable (refer note 49)	926.45	189.40	961.79	358.01
Non trade receivable considered doubtful	-	-	5.81	5.81
Advance to Airport Authority of India ('AAI') paid under protest (refer note 45(viii))	-	-	446.21	-
Total (D)	**1,748.25**	**1,025.35**	**2,678.18**	**1,607.69**
Less: Non trade receivable - loss allowance	-	-	(452.02)	(5.81)
Total (A+B+C+D)	**3,068.72**	**3,090.19**	**2,464.78**	**1,601.88**

12. Other assets

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Capital advances				
Unsecured, considered good				
Capital advances to related parties (refer note 49)	327.59	364.93	-	-
Capital advances to others	962.65	1,317.62	-	-
Total (A)	**1,290.24**	**1,682.55**	**-**	**-**
Advances other than capital advances				
Unsecured, considered good				
Advances other than capital advances	7.75	7.81	215.73	266.46
Passenger service fee (Security Component)	10.56	10.56	-	-
Unsecured, considered doubtful	0.04	0.04	0.91	0.91
	18.35	18.41	216.64	267.37
Provision for doubtful advances	(0.04)	(0.04)	(0.91)	(0.91)
Total (B)	**18.31**	**18.37**	**215.73**	**266.46**
Other advances				
Prepaid expenses	17.51	19.77	52.72	54.62
Deposit/ balances with statutory/ government authorities	951.22	278.13	164.51	451.29
Receivable against lease equalisation	1,166.55	421.78	-	-
Other receivable	8.22	-	17.84	3.69
Total (C)	**2,143.50**	**719.68**	**235.07**	**509.60**
Total (A+B+C)	**3,452.05**	**2,420.60**	**450.80**	**776.06**

Notes to the consolidated financial statements for the year ended March 31, 2021

13. Inventories

Particulars	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Raw materials (valued at lower of cost and net realizable value) (refer note 28)	143.77	142.19
Traded goods (refer note 30)*	14.18	30.73
Consumables, stores and spares	16.61	17.61
Total inventories	**174.56**	**190.53**

* Includes goods in transit of ₹ 1.98 Crore (March 31, 2020: ₹ 1.40 Crore)

14. Current investments

Particulars	March 31, 2020 ₹ in crore	March 31, 2019 ₹ in crore
Investments carried at fair value through consolidated statement of profit or loss (unquoted)		
Investment in domestic mutual funds	1,432.22	973.62
Investment in overseas funds by foreign subsidiaries	163.45	160.43
Investments carried at amortised cost		
Investment in commercial papers	994.60	1,783.73
Investments in other funds	273.13	41.34
	2,863.40	**2,959.12**

Notes:

1. Aggregate market value of current quoted investments - ₹ Nil (March 31, 2020: ₹ Nil)
2. Aggregate carrying amount of current unquoted investments ₹ 2,863.40 crore (March 31, 2020: ₹ 2,959.12 crore)
3. Aggregate provision for diminution in the value of current investments ₹ Nil (March 31, 2020: ₹ Nil)

15. Cash and cash equivalents

Particulars		Non-current		Current	
		March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Balances with banks					
- on current accounts [2,4,6]		-	-	677.58	595.60
- Deposits with original maturity of less than three months		-	-	3,619.89	2,261.70
Cheques / drafts on hand		-	-	0.19	-
Cash on hand / credit card collection		-	-	1.94	2.13
	(A)	**-**	**-**	**4,299.60**	**2,859.43**
Bank balances other than cash and cash equivalents					
Bank balances other than cash and cash equivalents		-	-	0.13	0.27
- Unclaimed dividend		-	-	1,941.68	1,488.46
- Deposits with remaining maturity for less than twelve months[6]		64.50	190.80	171.86	100.61
	(B)	**64.50**	**190.80**	**2,113.67**	**1,589.34**
Amount disclosed under other financial assets (refer note 11)		(64.50)	(190.80)		-
	(C)	**(64.50)**	**(190.80)**	**-**	**-**
Total	**(A+B+C)**	**-**	**-**	**6,413.27**	**4,448.77**

Notes:

1. Includes fixed deposits in GICL of ₹ 21.92 crore (March 31, 2020: ₹ 107.10 crore) with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that in spite of such economic difficulties the amount held as fixed deposit with Eurobank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus. Accordingly, the amount of deposit has been considered as non current.

Notes to the consolidated financial statements for the year ended March 31, 2021

2. Includes balances in Exchange Earner's Foreign Currency ('EEFC') Accounts.
3. Restricted deposits includes margin money deposit and deposits with banks that are pledged by the Group with the Government and other authorities and with lenders against long-term and short-term borrowings / hedging of FCCB interest / towards bank guarantee and letter of credit facilities availed by the Group.
4. Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Group and earn interest at the respective short-term deposit rates.
5. Refer notes 18 and 23 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.
6. Includes Marketing Fund in DIAL of ₹ 56.87 crore (March 31, 2020: ₹ 70.67 crore). Refer note 45(v). Further this includes deposits of the Holding Company amounting to ₹ 27.65 crore (March 31, 2020: ₹ 20.27 crore) pledged against various bank guarantees.
7. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Balances with banks:		
- On current accounts	677.58	595.60
Deposits with original maturity of less than three months	3,619.89	2,261.70
Cheques / drafts on hand	0.19	-
Cash on hand / credit card collection	1.94	2.13
Cash at bank and short term deposits attributable to entities held for sale (refer note 36)	0.44	58.84
Cash and cash equivalents for consolidated statement of cash flow	**4,300.04**	**2,918.27**

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Group has considered only such bank overdrafts which fluctuates from being positive to overdrawn often.

16. Equity share capital

Particulars	Equity Shares		Preference Shares	
	In Numbers	(₹ in crore)	In Numbers	(₹ in crore)
Authorised share capital:				
At April 1, 2019	**13,500,000,000**	**1,350.00**	**6,000,000**	**600.00**
Changes during the year	-	-	-	-
At March 31, 2020	**13,500,000,000**	**1,350.00**	**6,000,000**	**600.00**
Changes during the year	-	-	-	-
At March 31, 2021	**13,500,000,000**	**1,350.00**	**6,000,000**	**600.00**

* Face value of equity shares of Re. 1 each
** Face value of preference shares of ₹ 1,000 each

a. Issued equity capital
Equity shares of ₹ 1 each issued, subscribed and fully paid

	In Numbers	(₹ in crore)
At April 1, 2019	**6,035,945,275**	**603.59**
Changes during the year	-	-
At March 31, 2020	**6,035,945,275**	**603.59**
Changes during the year	-	-
At March 31, 2021	**6,035,945,275**	**603.59**

b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Re. 1 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend, if any.

Notes to the consolidated financial statements for the year ended March 31, 2021

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c) Shares held by the Holding Company / Ultimate Holding Company and / or their subsidiaries / associates:

Name of the shareholder	March 31, 2021		March 31, 2020	
	No. of shares held	(₹ in crore)	No. of shares held	(₹ in crore)
GMR Enterprises Private Limited ('GEPL'), the holding company Equity shares of Re. 1 each, fully paid up	2,925,543,150	292.55	3,101,143,150	310.11
GMR Business and Consulting LLP ('GBC'), an associate of the holding company Equity shares of Re. 1 each, fully paid up	805,635,166	80.56	805,635,166	80.56
GMR Infra Ventures LLP ('GIVLLP'), an associate of the holding company Equity shares of Re. 1 each, fully paid up	31,321,815	3.13	31,321,815	3.13

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2021		March 31, 2020	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Re. 1 each fully paid				
GEPL	2,925,543,150	48.47%	3,101,143,150	51.38%
GBC	805,635,166	13.35%	805,635,166	13.35%
DVI Fund Mauritius Limited	532,697,959	8.83%	537,191,459	8.90%
ASN Investments Limited	439,069,922	7.27%	359,736,151	5.96%

As per records of the Company including its register of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2016, 5,683,351 Series A CCPS and 5,683,353 Series B CCPS of face value of ₹ 1,000 each have been converted into 359,478,241 equity shares of face value of Re. 1 each at a price of ₹ 15.81 per equity share (including securities premium of ₹ 14.81 per equity share) and 380,666,645 equity shares of face value of Re.1 each at a price of ₹ 14.93 per equity share (including securities premium of ₹ 13.93 per equity share) respectively.

f) Shares reserved for issue under options

For details of shares reserved for issue under options, refer note 18 related to terms of conversion/ redemption of foreign currency convertible bonds and optionally convertible debentures.

17. Other Equity

(₹ in crore)

Equity component of optionally convertible debentures ('OCD's') (refer note 18)		
Balance as at April 1, 2019		45.92
Balance as at March 31, 2020		45.92
Less: Amout transferred to retained earnings		(45.92)
Balance as at March 31, 2021	**(A)**	-
Treasury shares (refer note 48(i))		
Balance as at April 1, 2019		(101.54)
Less: Buy back of treasury shares during the year		101.54
Balance as at March 31, 2020		-
Balance as at March 31, 2021	**(B)**	-

Notes to the consolidated financial statements for the year ended March 31, 2021

17. Other Equity

(₹ in crore)

Securities premium (refer note 17(h))		
Balance as at April 1, 2019		10,010.98
Balance as at March 31, 2020		10,010.98
Balance as at March 31, 2021	**(C)**	**10,010.98**
Debenture redemption reserve (refer note 17(c))		
Balance as at April 1, 2019		187.42
Less: Amount transferred to retained earning		(35.34)
Balance as at March 31, 2020		**152.08**
Less: Amount transferred to retained earning		(59.49)
Balance as at March 31, 2021	**(D)**	**92.59**
Capital reserve on consolidation (refer note 17 (f))		
Balance as at April 1, 2019		(162.27)
Balance as at March 31, 2020		(162.27)
Balance as at March 31, 2021	**(E)**	**(162.27)**
Capital reserve on acquisition (refer note 17(a))		
Balance as at April 1, 2019		3.41
Balance as at March 31, 2020		3.41
Balance as at March 31, 2021	**(F)**	**3.41**
Capital reserve on government grant (refer note 17(d))		
Balance as at April 1, 2019		63.45
Balance as at March 31, 2020		63.45
Balance as at March 31, 2021	**(G)**	**63.45**
Capital reserve on forfeiture (Refer note 17 (e))		
Balance as at April 1, 2019		141.75
Balance as at March 31, 2020		141.75
Balance as at March 31, 2021	**(H)**	**141.75**
Foreign currency monetary translation reserve (FCMTR) (refer note 17(g))		
Balance as at April 1, 2019		(68.31)
Less: Exchange differences on FCCB recognised during the year		(195.40)
Add: FCMTR amortisation during the year		15.31
Balance as at March 31, 2020		**(248.40)**
Less: Exchange differences on FCCB recognised during the year		76.65
Add: FCMTR amortisation during the year		(2.08)
Balance as at March 31, 2021	**(I)**	**(173.83)**
Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act (refer note 17(b))		
Balance as at April 1, 2019		66.59
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss		20.51
Balance as at March 31, 2020		**87.10**
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss		2.06
Balance as at March 31, 2021	**(J)**	**89.16**
Deficit in the consolidated statement of profit and loss		
Balance as at April 1, 2019		(11,345.78)
Loss for the year		(2,429.38)
Add: Amount transferred to the surplus balance in the consolidated statement of profit and loss		35.34
Less: Special Reserve u/s 45-IC of RBI Act (refer note 17(b))		(20.51)
Less: Adjustment on account of merger of subsidiaires (refer note 47(ii))		(274.24)
Add: Adjustment of put option obligation for purchase of minoirty shareholding of GMR Airports Limited ('GAL')		996.20

Notes to the consolidated financial statements for the year ended March 31, 2021

17. Other Equity

(₹ in crore)

Less: Adjustment of receivable shown under current financial assets (refer note 45(xxv))		(3,560.00)
Add: Adjustment on account of transaction between shareholders (refer note 45(xiii))		3,463.60
Less: Buy back of Treasury shares (refer note 48(i))		(72.00)
Less: Re-measurement (losses) / gains on post employment defined benefit plans		(4.26)
Less: Dividend distribution tax on dividend declared by subsidiaries		(19.47)
Balance as at March 31, 2020		**(13,230.50)**
Loss for the year		(2,797.27)
Add: Amount transferred to the surplus balance in the consolidated statement of profit and loss		59.49
Less: Special Reserve u/s 45-IC of RBI Act (refer note 17(b))		(2.06)
Add: Adjustment on account of transaction between shareholders (refer note 45(xiii))		3,313.03
Add: Adjustment on account of merger of subsidiaries (refer note 47(ii))		10.59
Add: Transfer on account of redemption of OCDs		45.92
Less: Re-measurement (losses) / gains on post employment defined benefit plans		0.38
Balance as at March 31, 2021	**(K)**	**(12,600.42)**
Components of Other Comprehensive Income ('OCI')		
Foreign currency translation difference account (FCTR) (refer note 17(i))		
Balance as at April 01, 2019		84.24
Movement during the year		(123.13)
Non controlling interest		(1.96)
Balance as at March 31, 2020		**(40.85)**
Movement during the year		95.64
Non controlling interest		4.21
Balance as at March 31, 2021	**(L)**	**59.00**
Cash flow hedge reserve (refer note 17(j))		
Balance as at April 01, 2019		17.42
Add: During the year		152.86
Non controlling interest		(55.23)
Balance as at March 31, 2020		**115.05**
Add: During the year		91.01
Non controlling interest		(51.60)
Balance as at March 31, 2021	**(M)**	**154.46**
Total other equity (A+B+C+D+E+F+G+H+I+J+K+L+M)		
Balance as at March 31, 2020		**(3,062.28)**
Balance as at March 31, 2021		**(2,321.72)**

a) GAPL purchased the aircraft division of GMR Industries Limited under slump sale on October 01, 2008 for a purchase consideration of ₹ 29.00 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of ₹ 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognised as capital reserve on acquisition.

b) As required by section 45-1C of the RBI Act, 20% of DSPL and GAL's net profit of the year is transferred to special reserve. The said reserve can be used only for the purpose as may be specified by the RBI from time to time.

c) Certain entities in the Group have issued redeemable non-convertible debentures ('NCD'). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), required the Company to create DRR out of profits of the entities available for payment of dividend.

d) During the year ended March 31, 2006, GHIAL had received a grant of ₹ 107.00 crore from Government of Telangana ['formerly Government of Andhra Pradesh ('GoAP')] towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project and accordingly, the Group's share amounting to ₹ 67.41 crore as at April 1, 2011 was included in Capital reserve (government grant).

Notes to the consolidated financial statements for the year ended March 31, 2021

e) On July 2, 2014, the Board of Directors of the Holding Company approved an issue and allotment of up to 180,000,000 warrants having an option to apply for and be allotted equivalent number of equity shares of face value of Re.1 each on a preferential basis under chapter VII of the SEBI ICDR Regulations and provisions of all other applicable laws and regulations and accordingly the Company received an advance of ₹141.75 crore against such share warrants. The shareholders approved the aforesaid issue of warrants through postal ballot on August 12, 2014. Pursuant to the approval of the Management Committee of the Board of Directors dated February 26, 2016 the outstanding warrants have been cancelled as the holders did not exercise the option within the due date of 18 months from the date of allotment and Rs 141.75 crore received as advance towards such warrants has been forfeited in accordance with the SEBI ICDR Regulations during the year ended March 31, 2016. The said amount has been credited to Capital Reserve account during the year ended March 31, 2016.

f) The Group has paid an additional consideration of Rs 197.09 crore for acquisition of RSSL which has been adjusted against the capital reserve as at April 01, 2015.

g) The MCA, Government of India ('GoI') vide its Notification No GSR 225 (E) dated March 31, 2009 prescribed certain changes to AS - 11 on 'The Effects of Changes in Foreign Exchange Rates'. The Group has, pursuant to adoption of such prescribed changes to the said Standard, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets. Exchange differences are capitalized as per paragraph D13AA of Ind AS 101 'First time adoption' availing the optional exemption that allows first time adopter to continue capitalization of exchange differences in respect of long term foreign currency monetary items recognized in the consolidated financial statement for the period ending immediately beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange loss of ₹ 74.57 crore (March 31, 2020: exchange gain ₹ 180.09 crore), net of amortisation, on long term monetary asset has been accumulated in the 'Foreign currency monetary item translation difference account' and is being amortised in the statement of profit and loss over the balance period of such long term monetary asset.

h) Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

i) Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to consolidated profit or loss when the net investment is disposed-off.

j) The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the consolidated statement of profit or loss when the hedged item affects profit or loss.

Notes to the consolidated financial statements for the year ended March 31, 2021

18. Long-term borrowings

(₹ in crore)

Particulars	Non - current		Current Maturities	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Debentures/bonds				
Foreign currency convertible bonds (unsecured)	2,149.18	2,224.20	-	-
Foreign currency senior notes (secured)	14,344.87	14,774.09	2,102.00	-
Non convertible debentures/bonds (secured)	3,694.84	558.74	47.69	3,219.45
Non convertible debentures/bonds (unsecured)	3,971.27	1,000.00	-	-
Optionally convertible debentures (secured)	-	-	-	161.05
Term loans				
From banks				
Indian rupee term loans (secured)	5,341.02	5,431.44	799.20	410.82
Foreign currency loans (secured)	794.65	776.08	1,302.90	1,927.28
Indian rupee term loans (unsecured)	3.15	490.22	-	-
From financial institutions				
Indian rupee term loans (secured)	238.82	419.13	174.51	225.10
Indian rupee term loans (unsecured)	130.94	522.52	43.07	229.74
From others				
Loans from related parties (unsecured) (refer note 49)	-	4.64	-	-
Liability component of compound financial instrument				
Convertible preference shares (unsecured)	6.41	5.79	-	-
Other loans				
From the State Government of Telangana ('GoT') (unsecured)	315.05	315.05	-	-
	30,990.20	**26,521.90**	**4,469.37**	**6,173.44**
The above amount includes				
Secured borrowings	24,414.20	21,959.48	4,426.30	5,943.70
Unsecured borrowings	6,576.00	4,562.42	43.07	229.74
Amount disclosed under the head 'Other current financial liabilities' (Refer note 20)				
- current maturities of long term borrowings	-	-	(4,469.37)	(6,173.44)
Net amount	**30,990.20**	**26,521.90**	**-**	**-**

A. Terms of security

i) The aforementioned borrowings of various entities of the Group are secured by way of charge on various movable and immovable assets of the group including but not limited to, present and future, leasehold rights of land, freehold land, buildings, intangibles, movable plant and machinery, other property, plant and equipment, investments, inventories, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, intellectual property, uncalled capital transaction accounts, rights under project documents of respective entities and all book debts, operating cash flows, current assets, receivables,Trust and Retention account ('TRA'), commissions, revenues of whatsoever nature and wherever arising, all insurance contracts, accounts including Debt Service Reserve Accounts and bank accounts, bank guarantees, letter of credits, guarantee, performance bond, corporate guarantees, non disposable undertaking with respect to shares held in certain companies, pledge of shares of subsidiaries / associates / joint ventures held by their respective holding companies (including Holding Company of the Group) and certain personal assets of some of the directors.

ii) Out of the above total borrowings, borrowings of ₹ 581.30 crore (March 31, 2020: ₹ 722.02 crore) have been secured against some of the personal assets of certain directors and assets held / corporate guarantee given by the holding company / fellow subsidiaries.

Notes to the consolidated financial statements for the year ended March 31, 2021

B. Terms of repayment

(₹ in crore)

Particulars	Interest rates range (p.a)	Amount outstanding as at March 31, 2021	Repayable within		
			1 year	1 to 5 years	>5 years
Debentures / Bonds					
Foreign currency convertible bonds (unsecured)	7.50%	2,193.30	-	-	2,193.30
Foreign currency senior notes (secured)	4.25% - 6.45%	16,532.73	2,111.05	4,386.60	10,035.08
Non convertible debentures (secured)	7.44% - 11.00%	3,816.48	47.84	3,718.94	49.70
Non convertible debentures (unsecured)	12.00% - 18.00%	4,000.00	-	4,000.00	-
Term loans					
From banks					
Indian rupee term loans (secured)	7.70% - 13.30% / YBL 1 Year MCLR+3.20%	6,261.27	818.54	4,525.91	916.82
Foreign currency loans (secured)	6 month USD Libor + 5.25% / 3 month USD Libor + 2.25%	2,097.37	1,302.72	794.65	-
Indian rupee term loans (unsecured)	10.00%	4.68	-	4.68	-
From financial institutions					
Indian rupee term loans (secured)	9.25% - 16.00%	391.60	150.25	192.64	48.71
Indian rupee term loans (unsecured)	11.00% - 12.15%	173.33	43.33	130.00	-
Liability component of compound financial instrument					
Convertible preference shares (unsecured)	6%	6.41	-	-	6.41
Other loans					
From the State Government of Telangana ('GoT') (unsecured)	0%	315.05	-	189.03	126.02
		35,792.22	**4,473.73**	**17,942.45**	**13,376.04**

Note:

i) Reconciliation with carrying amount

(₹ in crore)

Total Amount repayable as per repayment terms	35,792.22
Less: Impact of recognition of borrowing at amortised cost using effective interest method	332.65
Net carrying value	**35,459.57**

Notes to the consolidated financial statements for the year ended March 31, 2021

Particulars	Interest rates range (p.a)	Amount outstanding as at March 31, 2020	Repayable within		
			1 year	1 to 5 years	>5 years
Debentures / Bonds					
Foreign currency convertible bonds (unsecured)	7.50%	2,269.95	-	-	2,269.95
Foreign currency senior notes (secured)	4.25% - 6.45%	14,840.57	-	4,517.79	10,322.78
Non convertible debentures (secured)	7.44% - 18.00%	4,834.46	3,275.71	1,461.14	97.61
Optionally convertible debentures (secured)	0%	172.26	172.26	-	-
Term loans					
From banks					
Indian rupee term loans (secured)	9% - 15.05%	6,003.55	424.33	4,082.12	1,497.10
Foreign currency loans (secured)	6 month USD Libor + 5.25% / 3 month USD Libor + 2.25%	2,703.36	1,927.28	776.08	-
Indian rupee term loans (unsecured)	Base rate + 4.75%	500.00	-	500.00	-
From financial institutions					
Indian rupee term loans (secured)	9.40% - 16.00%	661.38	225.70	379.34	56.34
Indian rupee term loans (unsecured)	11.00% - 12.15%	752.54	229.93	522.61	-
From others					
Loans from related parties (unsecured)	12.25%	4.64	-	4.64	-
Liability component of compound financial instrument					
Convertible preference shares (unsecured)	6%	5.79	-	-	5.79
Other loans					
From the State Government of Telangana ('GoT') (unsecured)	0%	315.04	-	252.04	63.00
		33,063.54	**6,255.21**	**12,495.76**	**14,312.57**

Note:

i) Reconciliation with carrying amount

(₹ in crore)

Total Amount repayable as per repayment terms	33,063.54
Less: Impact of recognition of borrowing at amortised cost using effective interest method	368.20
Net carrying value	**32,695.34**

C. Other notes

1. Pursuant to the approval of the Management Committee of the Board of Directors dated December 10, 2015, the Holding Company had issued 7.50% Unlisted FCCBs of USD 300.00 million to Kuwait Investment Authority with a maturity period of 60 years. The Subscriber can exercise the conversion option on and after 18 months from the closing date up to close of business on maturity date. Interest is payable on an annual basis. The FCCBs are convertible at ₹ 18 per share which can be adjusted downwards at the discretion of the Holding Company, subject to the regulatory floor price. The exchange rate for conversion of FCCBs is fixed at Rs 66.745/USD. As at March 31, 2021, the FCCB holders have not exercised the conversion option. The Holding Company needs to take necessary steps in case the bondholders direct the Holding Company to list the FCCBs on the Singapore Exchange Trading Limited.
2. 6% Redeemable, Convertible, Non-Cumulative Preference Shares of ₹ 100 each fully paid up issued by GCORRPL, are redeemable at par on June 1, 2026. These preference shares can be redeemed at the option of GCORRPL at any time, as may be determined by the Board of Directors of GCORRPL with one-month prior notice to the preference shareholders. These preference shares have been classified as financial liability by GCORRPL and are measured at amortised cost of ₹ 6.41 crore (March 31, 2020: ₹ 5.79 crore).
3. Against a secured Indian rupee term loan from bank taken by GACEPL, it has agreed to pay an additional interest of 0.60% p.a. on the loan from August 2010 onwards if the claim submitted by GACEPL is awarded in favour of GACEPL during arbitration proceedings.

Notes to the consolidated financial statements for the year ended March 31, 2021

4. In case of certain secured Indian rupee term loans from banks, the banks have a put option for full or part of the facility amount at the end of certain months from the date of first disbursement and every three months thereafter.

5. In case of certain loans from banks and financial institutions, the lenders have certain mandatory prepayment rights as per the terms of the agreements.

19 Trade payables

Particulars	Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Trade payables[1]	2,459.58	2,071.63
	2,459.58	**2,071.63**

1. Terms and conditions of the above financial liabilities:
   - Trade payables are non-interest bearing
   - For explanations on the Group's credit risk management processes, refer note 52
   - The dues to related parties are unsecured. (refer note 49)

20. Other financial liabilities

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
At amortized cost				
Security deposit from concessionaires / customers	425.22	449.29	329.64	263.91
Security deposit from commercial property developers ('CPD')	15.99	14.44	-	-
Concession fee payable	149.11	171.96	144.45	92.11
Annual fees payable to AAI (refer note 45(viii))	528.00	189.88	-	-
Unclaimed dividend	-	-	0.13	0.27
Non-trade payable (including retention money)1	40.08	72.99	902.88	1,025.05
Liability towards put options given to non controlling interest / preference shareholders of subsidiaries / joint ventures2,3	-	-	1,260.88	1,192.43
Interest / premium / processing fees payable on redemption of debenture/ loan	74.56	-	1,139.56	1,525.61
Current maturities of long term borrowings (refer note 18)	-	-	4,469.37	6,173.44
Total (A)	**1,232.96**	**898.56**	**8,246.91**	**10,272.82**
Financial guarantees	46.04	38.58	5.52	16.67
Total (B)	**46.04**	**38.58**	**5.52**	**16.67**
Total (A+B)	**1,279.00**	**937.14**	**8,252.43**	**10,289.49**

1. Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts. These payments are kept as retention to ensure performance of the vendor obligation and hence are not discounted for present value of money.

2. In July 2010, IDFC and Temasek ('PE investors') had made certain investments through preference shares in GMR Energy Limited (GEL). There were certain amendments to the original arrangement between the Company, GEL and the PE investors. As per the latest amended Subscription and Shareholder Agreement executed in May 2016, preference shares held by the PE investors were converted into equity shares of GEL. Post conversion, the PE investors held 17.85% of equity shares in GEL with an exit option within the timelines as defined in the aforesaid amended agreement. As the said timelines expired during the year ended March 31, 2019 and the PE investors have sort for an exit without any further extensions, the Group has recognized the financial liability of ₹ 1,142.43 crore (March 31, 2020: ₹ 1,192.43 crore) in the consolidated financial statements with corresponding investment in joint ventures and associates.

3. In April 2019, Tenaga Nasional Berhad through its wholly-owned subsidiary TNB Topaz Energy SDN (hereinafter together with Tenaga referred to as "TNB") had invested ₹ 105.60 crore in the form of 105,600,000 Compulsorily Convertible debentures ("TNB CCDs") of ₹ 10 each with a

commitment to fund a second tranche of ₹ 120.00 crore, subject to the fulfilment of agreed conditions precedent specified in the subscription agreement entered between TNB and the Holding Company (TNB Subscription Agreement) to the satisfaction of TNB in GMR Bajoli Holi Hydropower Private Limited for the Bajoli Holi hydro-power project currently under development. Pursuant to the TNB Subscription Agreement, the Holding Company had granted a put option to the TNB on the TNB CCDs which is exercisable against the Holding Company under agreed circumstances at fair value. During the year ended March 31, 2020, TNB had issued a notice for excise of put options granted by the Company on the ground of trigger of certain conditions as prescribed in TNB Subscription Agreement. Consequently, subsequent to the year end, the Holding Company has entered into a settlement agreement with TNB pursuant to which the Holding Company has acquired aforesaid CCDs.

21. Provisions

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Provision for employee benefits				
Provision for gratuity (refer note 40)	22.08	17.79	9.06	10.62
Provision for compensated absences	-	-	90.14	86.36
Provision for other employee benefits	-	-	4.53	1.57
Total (A)	**22.08**	**17.79**	**103.73**	**98.55**
Other provisions (refer note 43)				
Provision for operation and maintenance	42.80	78.11	247.78	230.63
Provision for rehabilitation and settlement	-	-	-	42.73
Provision for replacement obligations	6.62	-	4.05	-
Provision for power banking arrangment	-	-	-	136.19
Provision against standard assets	9.77	9.93	0.80	0.47
Others	0.24		124.92	120.62
Total (B)	**59.43**	**88.04**	**377.55**	**530.64**
Provision for loss in an associate (refer note 8b) (C)	-	-	422.86	339.26
Total (A+B+C)	**81.51**	**105.83**	**904.14**	**968.45**

22. Other liabilities

Particulars	Non-current		Current	
	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Advances received from customers and Commercial Property Developers	49.40	52.31	736.86	858.27
Deferred / unearned revenue[1]	1,857.90	1,916.62	122.77	131.47
Statutory dues payable	-	-	203.66	200.28
Marketing fund liability (refer note 45(v))	-	-	52.31	57.13
Government grants	30.32	35.59	5.27	5.27
Other liabilities	-	-	30.83	75.04
Total	**1,937.62**	**2,004.52**	**1,151.70**	**1,327.46**

1 Interest free security deposit received from concessionaire, cutomers and commercial property developers (that are refundable in cash on completion of its term) are carried at amortised cost. Difference between the amortised value and transaction value of the security deposits received has been recognised as deferred revenue.

Notes to the consolidated financial statements for the year ended March 31, 2021

23. Short-term borrowings

Particulars	Interest rates range (p.a)	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Secured			
Cash credit and overdraft from banks	14.25%	291.00	274.13
Indian rupee short term loans from banks	6.15%-14.25%	524.76	195.21
Indian repee short term loan from others	8.60%	100.00	-
Non convertible debentures	17%-18%	175.00	1,000.00
Unsecured			
Indian rupee short term loans from banks	15.05%	21.32	19.92
Indian rupee short term loans from related parties	6.00%-12.25%	110.20	75.20
Negative grant (unsecured)	NA	60.33	66.41
		1,282.61	**1,630.87**
The above amount includes			
Secured borrowings		1,090.76	1,469.34
Unsecured borrowings		191.85	161.53
		1,282.61	**1,630.87**

Notes:

i) The aforementioned borrowings are secured against by way of first charge on the current assets including book debts, current assets, fixed assets, equipments, bank accounts including, without limitation, the TRA / Escrow account, lien/ pledge of various fixed deposits placed by certain entities of the Group, operating cash flows, receivables, revenues whatsoever in nature, present and future, pledge over certain shares of certain entities of the Group and unconditional and irrevocable corporate guarantee by the certain entities of the Group.

ii) Negative grant of ₹ 60.33 crore (March 31, 2020: ₹ 66.41 crore) of GACEPL is interest free and recorded at amortised cost. Negative grant is repayable in unequal yearly instalments over the next 5 years. As at March 31, 2021, an amount of ₹ 60.33 crore (March 31, 2020: ₹ 66.41 crore) is due and GACEPL has obtained an interim stay order from the arbitration tribunal against the recovery of the negative grant till further orders. In accordance with the terms of the Concession agreement entered into with NHAI by GACEPL dated November 16, 2005, GACEPL has an obligation to pay an amount of ₹ 174.75 crore by way of Negative Grant to NHAI. GACEPL has paid an amount of ₹ 114.42 crore till March 31, 2021 (March 31, 2020: Rs 108.34 crore).

24. Revenue from operations

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Sale of products		
Power segment:		
Income from sale of electrical energy	1.15	2.26
	1.15	**2.26**
Traded goods		
Power segment:		
Income from sale of electrical energy	653.22	340.97
Income from coal trading	351.77	422.15
	1,004.99	**763.12**
Airport segment:		
Non-aeronautical		
Sale of duty free goods	35.89	175.39
	35.89	**175.39**
Sale of services		
Airport segment:		
Aeronautical	663.77	2,062.79
Non-aeronautical	1,837.61	2,952.21
Improvements to concession assets	2.58	3.72
	2,503.96	**5,018.72**

Notes to the consolidated financial statements for the year ended March 31, 2021

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Roads segment:		
Annuity income from expressways		
Operation and maintenance income (SCA) (Annuity)	72.34	85.98
Construction income	1.60	6.12
Toll income from expressways	325.75	374.41
	399.69	**466.51**
EPC segment:		
Construction revenue	1,081.69	859.48
	1,081.69	**859.48**
Others segment:		
Income from hospitality services	20.20	66.11
Income from management and other services	151.02	163.65
	171.22	**229.76**
Sales / income from operations	**5,198.59**	**7,515.24**

25. Other operating income

(₹ in crore)

	March 31, 2021	March 31, 2020
Income from commercial property development	748.61	764.09
Income from management and other services	74.84	87.54
Net gain on sale or fair valuation of investments	13.02	4.30
Others	29.80	23.76
	866.27	**879.69**

26. Finance income

(₹ in crore)

	March 31, 2021	March 31, 2020
Treated as operating income:		
Interest income on:		
Bank deposits and others	67.34	43.50
Receivables from service concession arrangements	97.18	117.11
	164.52	**160.61**

Notes to revenue from contracts with customers

a) Timing of rendering of services in year ended March 31, 2021:

(₹ in crore)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Income from sale of electrical energy	654.37	-	654.37
Income from coal trading	351.77	-	351.77
Sale of duty free goods	35.89	-	35.89
Aeronautical	547.55	116.22	663.77
Non-aeronautical	-	1,837.61	1,837.61
Improvements to concession assets	-	2.58	2.58
Operation and maintenance income (SCA) (Annuity)	-	72.34	72.34
Construction income	-	1,083.29	1,083.29
Toll income from expressways	325.75	-	325.75
Income from hospitality services	20.20	-	20.20
Income from management and other services	-	225.86	225.86
Income from Commercial Property Developers	-	748.61	748.61
Net gain on sale or fair valuation of investments	-	13.02	13.02
Other operating income	-	29.80	29.80
Interest income on bank deposits and others	-	67.34	67.34
Interest income on receivables from service concession arraangements	-	97.18	97.18
Total	**1,935.53**	**4,293.85**	**6,229.38**

Notes to the consolidated financial statements for the year ended March 31, 2021

Timing of rendering of services in the year ended March 31, 2020 (₹ in crore)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Income from sale of electrical energy	343.23	-	343.23
Income from coal trading	422.15	-	422.15
Sale of duty free goods	175.39	-	175.39
Aeronautical	1,843.76	219.03	2,062.79
Non-aeronautical	-	2,952.21	2,952.21
Improvements to concession assets	-	3.72	3.72
Operation and maintenance income (SCA) (Annuity)	-	85.98	85.98
Construction income	-	865.60	865.60
Toll income from expressways	374.41	-	374.41
Income from hospitality services	66.11	-	66.11
Income from management and other services	-	251.19	251.19
Income from Commercial Property Developers	-	764.09	764.09
Net gain on sale or fair valuation of investments	-	4.30	4.30
Other operating income	-	23.76	23.76
Interest income on bank deposits and others	-	43.50	43.50
Interest income on receivables from service concession arraangements	-	117.11	117.11
Total	**3,225.05**	**5,330.49**	**8,555.54**

* The Group recognises revenue from these sources over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

b) Reconciliation of revenue recognised in the statement of profit and loss with contracted price (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Revenue as per contracted price	7,659.82	9,944.09
Significant financing component	2.99	5.90
Adjustment to revenue where the Group is acting as an agent	(1,433.43)	(1,394.45)
Revenue from contract with customer	**6,229.38**	**8,555.54**

c) Contract Balances (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Receivables		
- Non current (Gross)	176.29	138.66
- Current (Gross)	1,154.63	1,432.40
- Provision for impairment loss (non current)	(28.79)	(28.80)
- Provision for impairment loss (current)	(9.05)	(8.56)
Contract assets		
Unbilled revenue		
- Non Current	12.01	12.49
- Current	950.75	892.85
Contract Liabilities		
Deferred / unearned revenue		
- Non Current	1,857.90	1,916.62
- Current	122.77	131.47
Advance received from customers and CPD's		
- Non Current	49.40	52.31
- Current	736.86	858.27

d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to ₹ 100.01 crore (March 31, 2020: ₹ 130.51 crore)

e) Reconciliation of contracted price with revenue during the year

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Opening contracted price of orders	4,961.48	4,795.70
Add:		
Increase due to additional consideration recognised as per contractual terms	184.70	165.78
Closing contracted price of orders	**5,146.18**	**4,961.48**
Total Revenue recognised during the year	1,081.69	859.48
Revenue recognised upto previous year (from orders pending completion at the end of the year)	2,996.08	2,136.60
Balance revenue to be recognised in future	**1,068.41**	**1,965.40**

f) The Group has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the period end, the Group has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Group does not have any derivative contracts at the end of the year.

g) Reconciliation of revenue recognised in the statement of profit and loss with contracted price

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
In India	5,828.15	8,046.83
Outside India	401.23	508.71
	6,229.38	**8,555.54**

27. Other Income

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Interest income on bank deposits and others	271.92	244.05
Provisions/trade payable no longer required, written back	41.83	111.73
Net gain on sale or fair valuation of investments	128.13	60.00
Gain on account of foreign exchange fluctuations (net)	-	104.58
Gain on fair valuation of derivative instruments	-	0.99
Profit on sale of investment property/property, plant and equipment (net)	60.86	-
Lease rentals	5.01	10.33
Income from government grant	5.27	5.28
Income from duty credit scrips	1.62	37.95
Miscellaneous income	119.44	91.68
	634.08	**666.59**

28. Cost of materials consumed

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	142.19	45.07
Add: purchases	757.52	531.97
	899.71	577.04
Less: inventory at the end of the year (refer note 13)	(143.77)	(142.19)
	755.94	**434.85**

Notes to the consolidated financial statements for the year ended March 31, 2021

29. Purchase of traded goods

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Purchase of electrical energy	605.25	336.75
Purchase of coal for trading	348.78	410.78
Purchase of duty free items	0.34	82.92
	954.37	**830.45**

30. Decrease / (Increase) in stock in trade

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Stock at the beginning of the year (refer note 13)	30.73	15.10
Less: Stock at the end of the year (refer note 13)	(14.18)	(30.73)
	16.55	**(15.63)**

31. Employee benefit expenses

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	659.74	732.13
Contribution to provident and other funds (refer note 40(a) and 40(b)(A))	54.04	57.71
Gratuity expenses (refer note 40(b)(B))	12.94	8.92
Staff welfare expenses	27.92	32.45
	754.64	**831.21**

32. Other expenses

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Consumption of stores and spares	24.38	30.62
Electricity and water charges	63.54	94.77
Airport service charges / operator fees (refer note 49)	122.29	148.97
Repairs and maintenance	362.75	263.19
Manpower hire charges	101.88	124.40
Legal and professional fees	284.65	312.97
Directors' sitting fees	1.54	3.58
Write off/provision towards carrying amount of investments	28.44	0.04
Loss allowance on doubtful advances and trade receivables	48.30	29.06
Exchange differences (net)	110.07	-
Donation (includes corporate social responsibility expenditure)	29.53	80.02
Property, plant and equipment written off / loss on sale of property, plant and equipment (net)	-	1.90
Provision against advance to AAI paid under protest	446.21	-
Logo fees	4.18	3.27
Expenses of commercial property development	14.30	15.43
Rent	47.67	50.39
Rates and taxes	67.41	93.83
Travelling and conveyance	58.47	88.99
Miscellaneous expenses	81.03	170.12
	1,896.64	**1,511.55**

33. Depreciation and amortisation expenses

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment	890.06	902.04
Depreciation on investment property	0.90	0.89
Depreciation of right of use asset	17.11	15.71
Amortisation of intangible assets	96.47	145.61
	1,004.54	**1,064.25**

Notes to the consolidated financial statements for the year ended March 31, 2021

34. Finance costs

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Interest on debts, borrowings and lease liabilities[1, 2]	2,790.31	3,093.58
Bank and other charges	98.15	169.69
Net interest on hedging instruments	283.71	281.80
	3,172.17	**3,545.07**

1 Interest capitalised to capital work-in-progress / investment property under construction during the year is ₹ 564.57 crore (March 31, 2020 : ₹ 668.78 crore)

2 Includes interest on lease liability amounting to ₹ 10.93 crore (March 31, 2020: ₹ 10.51 crore)

35. Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2021	March 31, 2020
Loss Attributable to equity holders of the parent:		
Continuing Operations (₹ in crore)	(2,797.26)	(2,425.68)
Discontinuing Operations (₹ in crore)	(0.01)	(3.70)
Profit Attributable to equity holders of the parent for basic/ diluted earning per share (₹ in crore)	**(2,797.27)**	**(2,429.38)**
Weighted Average number of equity shares for basic EPS	6,035,945,275	6,027,330,072
Effect of dilution:	-	-
Weighted Average number of equity shares adjusted for the effect of dilution	6,035,945,275	6,027,330,072
Earning per share for continuing operations - Basic and Diluted (₹)	(4.63)	(4.02)
Earning per share for discontinuing operations - Basic and Diluted (₹)	-	(0.01)
Earning per share for continuing and discontinuing operations - Basic and Diluted (₹)	(4.63)	(4.03)

Notes:

1 Considering that the Group has incurred losses during the year ended March 31, 2021 and March 31, 2020, the allotment of conversion option in case of convertible instrument would decrease the loss per share for the respective years and accordingly has been ignored for the purpose of calculation of diluted earnings per share.

36. Non-current assets held for sale and discontinued operations

a) GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Holding Company, entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives, for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement and MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. The matter was under arbitration. During the year ended March 31, 2017, the arbitration tribunal delivered its final award in favour of GMIAL.

During the year ended March 31, 2018, Maldives Inland Revenue Authority ('MIRA') has issued tax audit reports and notice of tax assessments demanding business profit tax amounting to USD 1.44 crore, USD 0.29 crore as the additional withholding tax excluding fines and penalties. During the year ended March 31, 2019, MIRA has issued additional demands of USD 0.21 crore and USD 0.13 crore on account of fines on business profit tax and withholding taxes respectively. However, management of the Group is of the view that the notice issued by MIRA is not tenable.

On May 23, 2019, the Attorney General's office has issued statement on this matter to MIRA stating that in the event of the Maldives parties deducting any sum from this award in respect of taxes, the amount payable under the award shall be increased to enable the GMIAL to receive

Notes to the consolidated financial statements for the year ended March 31, 2021

the sum it would have received if the payment had not been liable to tax.

Further, as per the letter dated January 22, 2020 received from Ministry of Finance Male', Republic of Maldives (the "Ministry"), the amount of tax assessed by MIRA relating to the final arbitration award is USD 0.59 crore and in the event of any tax payable by GMIAL on the same shall be borne by whom the payment was settled to GMIAL, without giving any workings / break-up for the same. As such the Ministry has confirmed that the GMIAL is not liable to pay for the tax assessed by MIRA on the final arbitration award.

GMIAL has obtained the statement of dues from MIRA on December 31, 2020, according to which GMIAL is required to settle business profit tax amounting to USD 0.72 crore and fines on business profit tax amounting to USD 0.62 crore and GMIAL is required to settle withholding tax amounting USD 0.29 crore and fines on withholding tax amounted to USD 0.36 crore (withdrawing the interim tax liability claim of USD 0.72 crore).

Considering the entire tax liability pertaining to the business profit taxes is relating to the Arbitration Award Sum, the management of the Group is of view that GMIAL will be able to successfully defend and object to the notice of tax assessments and accordingly, no additional provision is required to be recognized in these financial statements. Further, in respect of the matters pertaining to the withholding taxes and the fines thereon, Group, believes that since these pertain to the aforementioned matter itself, the tax demand on these items is not valid and based on an independent legal opinion, no adjustments to the books of account are considered necessary.

Accordingly, no adjustments have been made to the consolidated financial statements of the Group for the year ended March 31, 2021.

b) During the current year, GMR Krishnagiri SIR Limited ("GKSIR") has sold 210.74 acres of land to TATA Electronic Private Limited (TEPL), an anchor client @31 lakhs per acres. Further, GKSIR entered bidding term sheet to sell additional land of 300.375 acres @ 31 lakh per acre. Accordingly, cost of total 300.375 acres land has been classified as asset held for sale and recorded at realisable value. However, considering the value appreciation of land in the vicinity subsequent to sale of land to TEPL and based on the independent valuer report, the management is of view that the recoverable value of balance land will be more than the book value.

c) State Industries Promotion Corporation of Tamil Nadu (SIPCOT) has acquired 277 acre of land in year ended March 31, 2021 and further issued notification / notice for acquisition of 486 acres (March 31, 2020: 595.15 acres) of land for industrial purpose. Accordingly, the investment property is classified as assets held for sale.

(d) Financial performance

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Income		
Other income	0.05	-
Total income	**0.05**	**-**
Expenses		
Employee benefit expenses	-	3.04
Other expenses	0.07	0.64
Finance costs	-	0.02
Total expenses	**0.07**	**3.70**
Loss before exceptional items and tax from discontinued operations	**(0.02)**	**(3.70)**
Exceptional items	-	-
Loss from discontinued operations before tax expenses	**(0.02)**	**(3.70)**
Tax expenses of discontinued operations	-	-
Loss after tax from discontinued operations	**(0.02)**	**(3.70)**

Notes to the consolidated financial statements for the year ended March 31, 2021

(e) Statement of cash flow

(₹ in crore)

	Particulars	March 31, 2021	March 31, 2020
A.	**Cash flows from operating activities**		
	Loss before tax	(0.02)	(3.70)
	Adjustments for movement in working capital:		
	Trade and Other Receivables	0.06	3.56
	Trade and Other Payables	(0.00)	(0.65)
	Cash generated from operations	0.04	(0.79)
	Income taxes paid	-	-
	Net cash generated from / (used in) operating activities (A)	**0.04**	**(0.79)**
B.	**Cash flows from investing activities**		
	Finance income received	-	-
	Loans given (net)	-	-
	Net cash generated from investing activities (B)	-	-
C.	**Cash flows from financing activities**		
	Proceeds from issue of share capital	-	0.74
	Share Application Money Received	-	58.30
	Net cash used in financing activities (C)	**-**	**59.04**
	Net increase in cash and cash equivalent (A + B + C)	0.04	58.25
	Cash and cash equivalents at the beginning of year	58.84	0.59
	Less: cash and equivalents attributatble to entity accounted for as loss of control entity during the year	(58.84)	-
	Cash and cash equivalents as at end of the year	**0.44**	**58.84**

f) Assets classified as held for sale

The Group has following non-current assets/disposal groups recognized as held for sale as at March 31, 2021:

Asset / Disposal Group	Reportable segment
GMIAL	Airport segment
EDWPCPL	Power segment

The Group has following non-current assets/disposal groups recognized as held for sale as at March 31, 2020:

Asset / Disposal Group	Reportable segment
GMIAL	Airport segment
EDWPCPL	Power segment
GLPPL	Airport segment

The details of disposal group classified as held for sale and liabilities associated thereto are as under:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Assets classified as held for sale		
Investment property		
Amount transferred from Investment property (net) (refer note 5)	158.05	-
Other current financial assets	12.56	-
Cash and cash equivalents	0.44	58.84
Other assets including claims recoverable	143.30	2.89
Total assets of disposal group held for sale	**314.35**	**61.73**
Liabilities directly associated with assets classified as held for sale		
Trade payables	4.18	-
Other liabilities	18.13	63.54

Notes to the consolidated financial statements for the year ended March 31, 2021

Provisions	-	7.96
Total liabilities of disposal group held for sale	**22.31**	**71.50**
Other comprehensive income - Exchange difference on translation of foreign operations	**10.88**	**17.25**

37. (a) Deferred Tax

Deferred tax (liabilities) / assets comprises mainly of the following:

For the year ended March 31, 2021 (₹ in crore)

Particulars	Opening deferred tax assets/ (liabilities)	Deferred tax (expense)/ income recognised in profit and loss	Deferred tax (expense)/ income recognised in other comprehensive income	Closing deferred tax assets/ (liabilities)
Deferred tax asset :				
Carry forward losses / unabsorbed depreciation (including capital loss)	331.40	120.14	-	451.54
MAT credit entitlement	515.93	0.07	-	516.00
Others	52.29	20.58	-	72.87
Total	**899.62**	**140.79**	**-**	**1,040.41**
Offsetting deferred tax liabilities				
Depreciation	(163.43)	(12.26)	-	(175.69)
Others	(81.41)	(4.42)	42.94	(42.89)
Total	**(244.84)**	**(16.68)**	**42.94**	**(218.58)**
Net deferred tax assets	**654.78**	**124.11**	**42.94**	**821.83**
Deferred tax liabilities :				
Depreciation	(905.20)	31.74	-	(873.46)
Lease Equilisation reserve	(144.27)	(256.90)	-	(401.17)
Cash flow hedge	(87.08)	-	(69.55)	(156.63)
Undistributed profits of equity accounted investments	(105.70)	9.54	-	(96.16)
Others	(58.06)	59.27	-	1.21
Total	**(1,300.31)**	**(156.35)**	**(69.55)**	**(1,526.21)**
Offsetting deferred tax assets:				
Carry forward losses / unabsorbed depreciation	790.14	(7.90)	-	782.24
Intangibles (airport concession rights)	58.86	(3.92)	-	54.94
Expenses on which tax is not deducted	13.56	156.34	-	169.90
Unpaid liability	66.35	118.15	-	184.50
Others	146.36	71.14	-	217.50
Total	**1,075.27**	**333.81**	**-**	**1,409.08**
Net deferred tax liabilities	**(225.04)**	**177.46**	**(69.55)**	**(117.13)**
Net deferred tax	**429.74**	**301.57**	**(26.61)**	**704.70**

For the year ended March 31, 2020 (₹ in crore)

Particulars	Opening deferred tax assets/ (liabilities)	Deferred tax (expense)/ income recognised in profit and loss	Deferred tax (expense)/ income recognised in other comprehensive income	Closing deferred tax assets/ (liabilities)
Deferred tax assets :				
Carry forward losses / unabsorbed depreciation (including capital loss)	65.94	265.46	-	331.40
MAT credit entitlement	502.74	13.19	-	515.93
Others	34.88	20.20	(2.79)	52.29
Total	**603.56**	298.85	**(2.79)**	899.62

Notes to the consolidated financial statements for the year ended March 31, 2021

Particulars	Opening deferred tax assets/ (liabilities)	Deferred tax (expense)/ income recognised in profit and loss	Deferred tax (expense)/ income recognised in other comprehensive income	Closing deferred tax assets/ (liabilities)
Offsetting deferred tax liabilities :				
Depreciation	(143.13)	(20.30)	-	(163.43)
Others	(117.78)	98.17	(61.80)	(81.41)
Total	**(260.91)**	**77.87**	**(61.80)**	**(244.84)**
Net deferred tax assets	**342.65**	**376.72**	**(64.59)**	**654.78**
Deferred tax liabilities :				
Depreciation	(963.67)	58.47	-	(905.20)
Lease Equalisation reserves	-	(144.27)	-	(144.27)
Cash flow hedge	(80.33)	-	(6.75)	(87.08)
Undistributed profits of equity accounted investments	(35.83)	(69.87)	-	(105.70)
Others	(44.73)	(13.33)	-	(58.06)
Total	**(1,124.56)**	**(169.00)**	**(6.75)**	**(1,300.31)**
Offsetting deferred tax assets :				
Carry forward losses / unabsorbed depreciation	845.22	(55.08)	-	790.14
Intangibles (airport concession rights)	62.79	(3.93)	-	58.86
Expenses on which tax is not deducted	13.24	0.32	-	13.56
Unpaid liability	-	66.35	-	66.35
Others	125.20	21.16	-	146.36
Total	**1,046.45**	**28.82**	**-**	**1,075.27**
Net deferred tax liabilities	**(78.11)**	**(140.18)**	**(6.75)**	**(225.04)**
Net deferred tax	**264.54**	**236.54**	**(71.34)**	**429.74**

Notes

i. In case of certain entities, deferred tax asset has not been recognised on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability.

ii. In case of certain entities, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, 1961, deferred tax has not been recognised by these companies.

iii. As at March 31, 2021 aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹ 1,271.63 crore (March 31, 2020 : ₹ 2,601.18 crore). No liability has been recognised in respect of such difference as the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

iv. The Holding Company has not recognised deferred tax asset on unused tax losses and unabsorbed depreciation of ₹ 5,798.90 crore and other deductible temporary differences of ₹ 1,218.26 crore. The unused tax losses will be adjustable till assessment year 2029-30.

v. GHIAL has recognized, MAT credit entitlement of ₹ 457.28 crore (March 31, 2020: ₹ 457.11 crore), as GHIAL based on estimates expects to adjust this amount after expiry of the tax holiday period (i.e. AY 2022-23) u/s 80IA of the Income Tax Act, 1961. Management is confident that in view of the anticipated tariff orders for the control periods which will be effective from the financial year ended March 31, 2021, GHIAL's normal tax liability will be more than the MAT payable after considering the deduction under section 80IA of the Income Tax Act, 1961. Further, the Holding Company has recognized MAT credit entitlement amounting ₹ 58.72 crore (March 31, 2020: Rs 58.72 crore) based on the expected future taxable income basis which it shall be able to adjust the aforementioned MAT credit entitlement.

Notes to the consolidated financial statements for the year ended March 31, 2021

37. (b) Income Tax

The domestic subsidiaries of the Group are subject to income tax in India on the basis of their standalone financial statements. As per the Income Tax Act, 1961, these entities are liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for MAT.

MAT paid in excess of regular income tax during a year can be carried forward for a period of 15 years and can be offset against future tax liabilities.

Income tax expenses in the consolidated statement of profit and loss consist of the following: (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Tax expenses of continuing operations		
(a) Current tax	34.50	155.44
(b) Adjustments of tax relating to earlier periods	4.64	(3.82)
(c) Deferred tax credit	(301.57)	(236.54)
Tax expenses of discontinued operations		
(a) Current tax	-	-
(b) Adjustments of tax relating to earlier periods	-	-
(c) Deferred tax credit	-	-
Total taxes	**(262.43)**	**(84.92)**
Other comprehensive income section		
Deferred tax related to items recognized in OCI during the year		
Remeasurement losses on defined benefit plans	0.64	(0.96)
Cashflow hedge reserve	25.97	72.30
Income tax charged to OCI	**26.61**	**71.34**
Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:		
Loss before taxes from continuing operations	(3,690.18)	(2,283.41)
Loss before taxes from discontinued operations	(0.02)	(3.70)
Share of loss of investments accounted for using equity method	(345.69)	(288.33)
Loss before taxes and share of loss of investments accounted for using equity method from continuing and discontinued operations	(3,344.51)	(1,998.78)
Applicable tax rates in India	34.94%	34.94%
Computed tax charge based on applicable tax rates of respective countries	**(1,168.71)**	**(698.45)**
Adjustments to taxable profits for companies with taxable profits		
(a) Income exempt from tax	(132.66)	(317.70)
(b) Items not deductible	142.75	91.16
(c) Adjustments on which deferred tax is not created/reversal of earlier years	681.15	597.86
(d) Adjustments to current tax in respect of prior periods	4.64	(3.83)
(e) Adjustment for different tax rates between the group components	157.43	136.27
(f) Others	52.97	109.77
Tax expense as reported	**(262.43)**	**(84.92)**

Notes:

1. Certain entities of the Group have incurred losses during the relevant period, which has resulted in reduction of profit/increase of losses in the consolidated financial statements. However, the tax liability has been discharged by the respective entities on a standalone basis. Further, in view of absence of reasonable certainty, the Group has not recognised deferred tax asset in such companies.

2. The Taxation Laws (Amendment) Ordinance, 2019 was issued by the Ministry of Finance, Government of India on September 20, 2019. Pursuant to the said ordinance, certain entities in the Group are entitled to avail revised tax rates from the financial year commencing April 1, 2019. However, on the basis of a detailed analysis of the provisions of the Ordinance, management has concluded that the entities shall avail revised tax rates after utilization of various tax credits that the respective entities are currently entitled for. Accordingly, these consolidated financial statements for the year ended March 31, 2021 do not include any adjustments on account of changes in the corporate tax rates.

Notes to the consolidated financial statements for the year ended March 31, 2021

38. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include impairment of investments, other non-current assets including Goodwill, determination of useful life of assets, estimating provisions, recoverability of deferred tax assets, commitments and contingencies, fair value measurement of financial assets and liabilities, fair value measurement of put options given by the Group, applicability of service concession arrangements, recognition of revenue on long term contracts, treatment of certain investments as joint ventures/associates and estimation of payables to Government / statutory bodies.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 51 and 52 for further disclosures.

ii. Revenue recognition from Engineering, procurement and construction (EPC)

Revenue from EPC contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, the Group uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Group to estimate the costs incurred till date as a proportion of the total cost to be incurred along with identification of contractual obligations and the Group's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Costs incurred have been used to measure progress towards completion as there is a direct relationship. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

iii. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 40.

Notes to the consolidated financial statements for the year ended March 31, 2021

iv. Impairment of non-current assets including property, plant and equipment, right of use assets, intangible assets, assets under construction/development, investments accounted for using equity method and goodwill

Determining whether property, plant and equipment, right of use assets, intangible assets, assets under construction/development, investments accounted for using equity method and goodwill are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow Model ('DCF') model over the estimated useful life of the power plants, concession on roads, airports etc. Further, the cash flow projections are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of entities in the energy business, estimation of passenger traffic and rates, rates per acre/hectare for lease rentals from CPD, passenger penetration rates, and favorable outcomes of litigations etc. in the airport and expressway business, assumptions relating to realization per acre of land from monetization for SEZ business which are considered as reasonable by the management (refer note 3,4,5,6 and 7).

v. Recognition of revenue for change in law and other claims

The recognition of revenue is based on the tariff rates/methodology prescribed under PPA/LOI with customers. Significant management judgement is required to determine the revenue to be recognized in cases where regulatory order in favour of the Group is yet to be received or which is further challenged in higher judicial forums. The estimate of such revenue is based on similar existing other favorable orders/ contractual terms of the PPA with the customers.

vi. Provision for periodic major maintenance

The entities in the road sector of the Group are engaged in development of highways on build, operate and transfer model on annuity or toll basis. These are SPVs which have entered into concessionaire agreements with National Highways Authority of India ('NHAI') or the respective state governments for carrying out these projects.

The Group is contractually committed to carry out major maintenance whenever the roughness index exceeds the limit as indicated in the respective concession agreement.

The management, estimates provision w.r.t periodic major maintenance by using a model that incorporates a number of assumptions, including the life of the concession agreement, annual traffic growth and the expected cost of the periodic major maintenance which are considered as reasonable by the management. (Refer note 43)

vii. Valuation of investment property

Investment property is stated at cost. However, as per Ind AS 40 'Investment Property', there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

b) Significant judgements

In the process of applying the Group's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognized in these consolidated financial statements.

i. Determination of applicability of Appendix C of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' in case of airport entities

DIAL and GHIAL, subsidiaries of the Holding Company, have entered into concession agreements with Airports Authority of India ('AAI') and the Ministry of Civil Aviation ('MoCA') respectively, both being Government / statutory bodies. The concession agreements give DIAL and GHIAL exclusive rights to operate, maintain, develop, modernize and manage the respective airports on a revenue sharing model. Under the agreement, the Government / statutory bodies have granted exclusive right and authority to undertake some of their functions, being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the respective airports and to perform services and activities at the airport constituting 'Aeronautical services' (regulated services) and 'Non-aeronautical services' (non-regulated services). Aeronautical services are regulated while there is no control over determination of prices for Non-aeronautical services. Charges for Non-aeronautical services are determined at the sole discretion of DIAL and GHIAL. The management of the Group conducted detailed analysis to determine applicability of SCA. The concession agreements of these entities, have significant non-regulated revenues, which are apparently not ancillary in nature, as these are important for DIAL and GHIAL, the Government / statutory body and users/ passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. The airport premises are being used both for providing regulated services (Aeronautical services) and for providing non-regulated services (Non-aeronautical services). Based on DIAL and GHIAL's proportion of regulated and non-regulated activities, the management has determined that over the concession period, the unregulated business activities drive the economics of the arrangement and contributes substantially to the profits of DIAL and GHIAL and accordingly, the management has concluded that SCA does not apply in its entirety to DIAL and GHIAL.

ii. Determination of control and accounting thereof

As detailed in the accounting policy, consolidation principles under Ind AS necessitates assessment of control of the subsidiaries independent of the majority shareholding. Accordingly, certain entities like GKEL and DDFS, where though the Group has majority shareholdings, they have been accounted as joint ventures on account of certain participative rights granted to other partners / investors under the shareholding agreements (GKEL has been accounted for as joint venture of GEL). Similarly, as detailed in Note 8b 13(i), consequent to investment made by Tenaga in GEL with certain participative rights in the operations of GEL, GEL and its underlying subsidiaries have also been accounted as joint ventures w.e.f. November 4, 2016 under Ind AS. Further, as detailed in note 8b 13(iii), GREL have been accounted as associates on account of the SDR and the conversion of loans into equity share capital by the consortium of lenders.

Under Ind AS, joint ventures are accounted under the equity method as per the Ind AS-28 against the proportionate line by line consolidation under previous GAAP.

Refer note 8a and 8b for further disclosure.

iii. Classification of leases

The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

iv. Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

v. Taxes

Deferred tax assets including MAT Credit Entitlement is recognized to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 37 for further disclosures.

vi. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the consolidated financial statements.

In respect of financial guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 41 for further disclosure.

vii. Other significant judgements

a) Refer note 45(ix) as regards the revenue share payable by DIAL and GHIAL to the grantor.

b) Refer note 45(i) and 45(ii) as regards the revenue accounting of GHIAL and DIAL.

c) Refer 46(i) and 46(ii) as regard the recovery of claims in GACEPL and GHVEPL.

Notes to the consolidated financial statements for the year ended March 31, 2021

39. Interest in material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below :

1. Details of material partly-owned subsidiaries :

(₹ in crore)

Name of the Entity	Place of Business	Proportion of equity interest held by non-controlling interests (Effective)		Proportion of equity interest held by non-controlling interests (Direct)	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
DIAL*	India	67.36%	51.99%	36.00%	36.00%
GHIAL*	India	67.87%	52.74%	37.00%	37.00%
GMIAL	Republic of Maldives	23.13%	23.13%	23.13%	23.13%
GAL*	India	49.00%	24.99%	49.00%	24.99%

*Refer note 45(xiii) for details.

2. Accumulated balances of non-controlling interest :

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
DIAL	952.61	1,034.05
GHIAL	1,331.02	1,182.55
GMIAL	148.18	144.77
GAL	1,271.04	530.49
Aggregate amount of individually immaterial non-controlling interest	(666.16)	(217.28)
Total	**3,036.69**	**2,674.58**

3. Profit / (loss) allocated to non-controlling interest :

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
DIAL	(100.38)	5.88
GHIAL	(107.57)	316.41
GMIAL	2.24	1.38
GAL	(114.46)	14.17
Aggregate amount of individually immaterial non-controlling interest	(252.33)	(54.78)
Total	**(572.50)**	**283.06**

Notes to the consolidated financial statements for the year ended March 31, 2021

4. Summarised financial position

The summarised financial position of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations:

(₹ in crore)

Particulars	DIAL		GHIAL		GMIAL*		GAL**	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	December 31, 2020	December 31, 2019	March 31, 2021	March 31, 2020
Non-current assets								
Property, plant and equipments	5,714.96	6,079.41	2,232.30	2,268.32	-	-	1.73	2.27
Capital work in progress	3,633.80	2,140.61	2,255.00	1,208.31	-	-	-	0.84
Intangible assets (including Right of use asset)	391.08	395.45	82.27	82.52	-	-	1.97	2.69
Investments	288.08	288.07	670.18	669.36	-	-	5,232.56	4,907.31
Financial assets	1,181.71	1,141.67	677.42	963.88	-	-	241.84	433.25
Other non-current assets (including non-current tax assets)	2,506.83	1,527.77	766.65	729.07	-	-	28.91	28.82
Deferred tax assets	-	-	373.30	251.30	-	-	105.95	62.59
Total	**13,716.46**	**11,572.98**	**7,057.12**	**6,172.76**	**-**	**-**	**5,612.96**	**5,437.77**
Current assets								
Inventories	6.27	6.55	5.59	6.36	-	-	-	-
Financial assets	5,929.50	4,903.73	3,603.45	2,575.34	643.02	628.19	530.41	219.18
Other current assets	106.83	424.25	57.69	21.84	2.93	2.88	31.97	14.06
Total	**6,042.60**	**5,334.53**	**3,666.73**	**2,603.54**	**645.95**	**631.07**	**562.38**	**233.24**
Non-current liabilities								
Financial liabilities	11,622.12	10,408.20	7,448.73	5,481.00	-	-	3,489.56	3,484.64
Other non-current liabilities	1,808.75	1,901.46	41.03	52.58	-	-	17.53	42.68
Deferred tax liabilities		95.87	-	-	-	-	-	-
Total	**13,430.87**	**12,405.53**	**7,489.76**	**5,533.58**	**-**	**-**	**3,507.09**	**3,527.32**
Current liabilities								
Financial liabilities	3,316.75	1,244.93	976.12	826.03	4.24	4.15	59.76	-
Provisions	149.57	149.57	17.77	18.38	-	-	2.47	20.87
Other current liabilities (including liabilities for current tax)	307.05	365.02	107.14	77.17	1.06	1.03	12.06	-
Total	**3,773.37**	**1,759.52**	**1,101.03**	**921.58**	**5.30**	**5.18**	**74.29**	**20.87**
Total equity (A)	**2,554.82**	**2,742.46**	**2,133.06**	**2,321.14**	**640.65**	**625.89**	**2,593.96**	**2,122.82**
Equity share capital attributable to non-controlling shareholders (B)	882.00	882.00	139.86	139.86	50.79	49.62	689.27	331.96
Equity share capital attributable to equity holders of parents (C)	1,568.00	1,568.00	238.14	238.14	168.79	164.90	717.40	996.43
Net other equity for distrbution (D=A-B-C)	**104.82**	**292.46**	**1,755.06**	**1,943.14**	**421.07**	**411.37**	**1,187.29**	**794.43**
Other equity attributable to:								
Equity holders of parents	34.21	140.41	563.90	900.45	323.68	316.22	605.52	595.90
Non-controlling interests	70.61	152.05	1,191.16	1,042.69	97.39	95.15	581.77	198.53

* Being a foreign subsidiary, financial statements of GMIAL is consolidated for the year ended December 31 every year.

** The balances are net of fair value gain recognised on investments in subsidiaries.

Notes to the consolidated financial statements for the year ended March 31, 2021

5 Summarised statement of profit and loss

The summarised financial statement of profit and loss of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

(₹ in crore)

Particulars	DIAL		GHIAL		GMIAL		GAL	
	March 31, 2021[1]	March 31, 2020[1]	March 31, 2021[1]	March 31, 2020[1]	December 31, 2020	December 31, 2019	March 31, 2021[1]	March 31, 2020[1]
Revenue from operations	2,423.47	3,909.42	441.23	1,525.76	-	-	360.78	398.51
Other income	98.60	334.20	143.41	114.30	0.05	-	0.53	185.45
Revenue share paid / payable to concessionaire grantors	338.12	1,848.67	22.54	64.95	-	-	-	-
Employee benefits expense	213.33	209.38	112.49	117.93	-	3.04	16.88	25.10
Finance cost	696.09	678.66	236.74	240.53	-	0.02	520.13	423.37
Depreciation and amortisation	568.85	626.25	189.83	170.71	-	-	1.54	1.93
Other expenses	1,188.82	879.30	253.08	351.81	0.06	0.64	125.58	48.99
(Loss)/profit before tax	**(483.14)**	**1.36**	**(230.04)**	**694.13**	**(0.02)**	**(3.70)**	**(302.83)**	**84.57**
Tax (credit)/expense	(165.73)	(11.79)	(78.99)	57.32	-	-	(45.09)	9.66
(Loss)/profit for the year	**(317.41)**	**13.15**	**(151.05)**	**636.81**	**(0.02)**	**(3.70)**	**(257.74)**	**74.91**
Other comprehensive income	129.77	11.27	(37.03)	132.11	9.71	9.65	0.16	(0.18)
Total comprehensive income	**(187.64)**	**24.42**	**(188.08)**	**768.92**	**9.69**	**5.95**	**(257.58)**	**74.73**
% of NCI	67.36%	51.99%	67.87%	52.74%	23.13%	23.13%	49.00%	24.99%
Attributable to the non-controlling interests[1]	**(100.38)**	**5.88**	**(107.57)**	**316.41**	**2.24**	**1.38**	**(114.46)**	**14.17**
Dividend paid to non-controlling interests (including DDT)	-	-	-	(42.03)	-	-	-	-

[1]Consequent to change in non-controlling interest in GAL as detailed in note 45(xiii), the non-controlling interest in GAL increased to 51% (24.99% in March 31, 2020) on date of sale of shares. This consequently impacted the non-controlling interest in DIAL and GHIAL as well. Profit / (loss) attributable to non-controlling interest includes profits attributable to non-controlling interest of GAL on account of sale of shares post change in shareholding percentage till year ended March 31, 2021 and March 31, 2020.

6 Summarised cash flow information :

The summarised cash flow information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

(₹ in crore)

Particulars	DIAL		GHIAL		GMIAL		GAL	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	December 31, 2020	December 31, 2019	March 31, 2021	March 31, 2020
Cash flow from/(used in) operating activities	98.19	245.71	(40.00)	759.42	-	(3.74)	39.33	104.90
Cash flow from/(used in) investing activities	(1,277.87)	(1,269.51)	(1,436.71)	(2,465.47)	0.04	57.37	(339.23)	(733.41)
Cash flow from/(used in) financing activities	2,464.58	2,846.76	1,896.58	1,573.36	-	(53.81)	310.89	628.28
Net increase/(decrease) in cash & cash equivalents	**1,284.90**	**1,822.96**	**419.87**	**(132.69)**	**0.04**	**(0.18)**	**10.99**	**(0.23)**

Notes to the consolidated financial statements for the year ended March 31, 2021

40. Gratuity and other post employment benefits plans

a) Defined contribution plan

Contributions to provident and other funds included in capital work-in-progress (note 3), intangible assets under development, investment property (note 5), Non current assets held for sale and discontinued operations (note 36) and employee benefits expense (note 31) are as under:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Contribution to provident fund	29.36	31.50
Contribution to superannuation fund	14.41	15.41
	43.77	**46.91**

b) Defined benefit plan

(A) Provident fund

The Group makes contribution towards provident fund which is administered by the trustees. The rules of the Group's provident fund administered by a trust, require that if the board of the trustees are unable to pay interest at the rate declared by the government under para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Group making interest shortfall a defined benefit plan. Accordingly, the Group has obtained actuarial valuation and based on the below provided assumption there is no deficiency at the balance sheet date. Hence the liability is restricted towards monthly contributions only.

Contributions to provident funds by DIAL and GAL included in capital work-in-progress (note 3), Non current assets held for sale and discontinued operations (note 36) and employee benefit expenses (note 31) are as under:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Contribution to provident fund	11.72	12.44
	11.72	**12.44**

As per the requirements of Ind AS 19, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans.

The details of the fund and plan asset position are as follows: (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Plan assets at the year end, at fair value	192.99	179.23
Present value of benefit obligation at year end	182.70	169.24
Net liability recognized in the balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Fund rate	8.50%	8.50%
EPFO rate	8.50%	8.50%
Withdrawal rate	5.00%	5.00%
Mortality	Indian Assured Lives "Mortality (2006-08) (modified)Ult *"	Indian Assured Lives "Mortality (2006-08) (modified)Ult *"

*As published by Insurance Regulatory and Development Authority ('IRDA') and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013

(B) Gratuity Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. Although we know that the fund manager invests the funds as per products approved by Insurance Regulatory and Development Authority of India and investment guidelines as stipulated under section 101 of Income Tax Act, the exact asset mix is unknown and not publicly available. The Trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme.

Notes to the consolidated financial statements for the year ended March 31, 2021

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss / OCI and amounts recognised in the balance sheet for defined benefit plans/ obligations.

Statement of profit and loss

Gratuity expense included in capital work-in-progress (note 3), intangible assets under development, investment property (note 5), Non current assets held for sale and discontinued operations (note 36) and employee benefits expenses (note 31) are as under:

(i) Net employee benefit expenses:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Current service cost	11.52	9.71
Past service cost- Plan amendments	-	(0.71)
Net interest cost on defined benefit obligation	1.56	1.05
Net benefit expenses	**13.08**	**10.05**

(ii) Remeasurement loss recognised in other comprehensive income: (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/loss due to defined benefit obligations ('DBO') and assumptions changes	(3.27)	5.80
Return on plan assets less than discount rate	0.05	0.73
Actuarial (gain)/losses due recognised in OCI	**(3.22)**	**6.53**

Balance Sheet (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(87.91)	(84.31)
Fair value of plan assets	56.77	55.90
Plan liability	**(31.14)**	**(28.41)**

Changes in the present value of the defined benefit obligation are as follows: (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	84.31	70.63
Transferred to / transfer from the Group	(0.85)	0.80
Interest cost	5.23	4.99
Current service cost	11.52	9.71
Past service cost- plan amendments	-	(0.71)
Benefits paid	(7.85)	(6.91)
Actuarial (gain)/losses on obligation - assumptions	(3.27)	5.80
Effects of business combinations and disposals	(1.18)	-
Closing defined benefit obligation	**87.91**	**84.31**

Changes in the fair value of plan assets are as follows: (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	55.90	51.70
Transferred to / transfer from the Group	(2.12)	0.13
Interest income on plan assets	3.67	3.94
Contributions by employer	7.80	7.12
Benefits paid	(7.85)	(6.83)
Return on plan assets lesser than discount rate	(0.05)	(0.73)
Adjustment on transfer from subsidiary	-	0.57
Effects of business combinations and disposals	(0.58)	-
Closing fair value of plan assets	**56.77**	**55.90**

The Group expects to contribute ₹ 7.80 crore (March 31, 2020 : ₹ 7.11 crore) towards gratuity fund in next year.

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Investments with insurer managed funds	100.00%	100.00%

Notes to the consolidated financial statements for the year ended March 31, 2021

Expected benefit payments for the year ending: (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
March 31, 2021	NA	10.39
March 31, 2022	14.29	10.75
March 31, 2023	10.98	10.57
March 31, 2024	10.98	12.13
March 31, 2025	12.11	63.73
March 31, 2026	12.50	NA
March 31, 2027 to March 31, 2031*	63.16	NA

* for previous year read as March 31, 2026 to March 31, 2028

The principal assumptions used in determining gratuity obligations:

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	For Raxa		Other entities of the Group	
Discount rate (in %)	5.40%	5.70%	6.80%	6.80%
Salary escalation (in %)	3.00%	2.00%	6.00%	6.00%
Attrition rate (in %)	25.00%	25.00%	5.00%	5.00%
Mortality rate	Indian Assured Lives "Mortality (2006-08) (modified)Ult "	Indian Assured Lives "Mortality (2006-08) (modified) Ult "	Indian Assured Lives "Mortality (2006-08) (modified) Ult "	Indian Assured Lives "Mortality (2006-08) (modified) Ult "

Notes :

1. The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

2. **Plan characteristics and associated risks:**

   The Gratuity scheme is a final salary defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

   a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

   b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

   c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

A quantitative sensitivity analysis for significant assumption is as shown below

Assumptions	Discount Rate		Future Salary Increases		Attrition Rate	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sensitivity level (%)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Impact on defined benefit obligation due to increase	(5.58)	(5.32)	5.56	5.26	0.25	0.26
Impact on defined benefit obligation due to decrease	6.43	6.10	(5.06)	(4.83)	(0.30)	(0.32)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

41. Commitments and contingent liabilities

a) Capital commitments

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	8,502.18	10,121.42

Notes to the consolidated financial statements for the year ended March 31, 2021

b) Other commitments

i. Entities in roads sectors have entered into various Concession agreements with concessionaires for periods ranging from 17.5 years to 25 years from achievement of date of COD / appointed date as defined in the respective Concession agreements, whereby these entities have committed to comply with certain key terms and conditions pertaining to construction of roads / highways in accordance with the timelines and milestones as defined in the respective Concession agreements, COD as per the respective Concession agreements, construction, management, payment of fees (including revenue share), operation and maintenance of roads / highways in accordance with the respective Concession agreements, performance of the obligations under the respective financing agreements, non-transfer or change in ownership without the prior approval of the concessionaire and transfer of the roads / highways projects on termination of relevant agreements or in case of defaults as defined in the respective Concession agreements and utilisation of grants received as per the requirements of the respective concession agreements.

ii. a) Entities in airports sector have entered into various agreements with Concessionaires for periods ranging from 25 years to 35 years extendable by another 20 to 30 years in certain cases on satisfaction of certain terms and conditions of respective Concession agreements from dates as defined in the respective agreements for development, rehabilitation, expansion, modernisation, operation and maintenance of various airports in and outside India. Pursuant to these agreements, these entities have committed to comply with various terms of the respective agreements which pertains to payment of fees (including revenue share), development / expansion of Airports in accordance with the timelines and milestones as defined in the respective agreements, achievement of COD as per the respective agreements, development, management, operation and maintenance of airports in accordance with the respective agreements, performance of various obligations under the respective financing agreements, non-transfer or change in ownership without the prior approval of respective airport concessionaires, compliance with the applicable laws and permits as defined in the respective agreements, transfer of airports on termination of agreements or in case of defaults as defined in the respective agreements.

b) As per the terms of agreements with respective authorities, DIAL, GHIAL and GIAL are required to pay 45.99%, 4% and 36.99% of the revenue for an initial term of 30, 30 and 35 years which is further extendable by 30, 30 and 20 years respectively and GVIAL is required to pay per passenger fess of ₹ 303/- per domestic passenger and ₹ 606/- per international passenger from 10 anniversary from phase 1 COD on a monthly basis.

iii. The Group through KGPL has entered into Concession agreement with Government of Andhra Pradesh for a period of 30 years extendable by another 10 years from achievement of date of COD / appointed date as defined in the Concession agreement, whereby KGPL has committed to comply with certain key terms and conditions pertaining to development of commercial port in accordance with the timelines and milestones as defined in the Concession agreement, COD as per the Concession agreement, construction, management, payment of fees (including revenue share), operation and maintenance of port in accordance with the Concession agreement, performance of the obligations under the financing agreements, non-transfer or change in ownership without the prior approval of the concessionaire and transfer of the port project on termination of relevant agreement or in case of defaults as defined in the Concession agreement.

During the year ended March 31, 2021, the Group has disposed off its investment in KGPL (refer note 48(ii)).

iv. One of the entities in airports sector is committed to pay every year a specified percent of previous year's gross revenue as operator fee to the airport operator for the period specified in the Airport operator agreement.

v. The Group has entered into agreements with the lenders wherein the promoters of the Holding Company and the Holding Company have committed to hold at all times at least 51% of the equity share capital of the subsidiaries and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

vi. The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.

vii. In respect of its equity investment in East Delhi Waste Processing Company Private Limited, DIAL along with SELCO International Limited has to maintain minimum 51% shareholding for a period of 2 years from the commissioning of the project and thereafter minimum 26% shareholding for next 10 years. The project has been commissioned with effect from April 01, 2017.

viii. In terms of Section 115JB of Income Tax Act, 1961, certain Ind AS adjustments at the Ind AS transition date are to be included in book profits equally over a period of five years starting from the year of first time adoption of Ind AS i.e. FY 2016-17. Pursuant to above, the Group had made Ind AS adjustments as on March 31, 2016 and included 1/5th of the same while computing book profit for FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20 and FY 2020-21 and paid MAT accordingly. The remaining amount will be adjusted in the one subsequent year while computing book profit for MAT.

ix. DIAL had entered "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2022) of USD 288.75 million, 6.125% Senior secured notes (2026) of USD 522.60 million which are repayable in February 2022 and October 2026 respectively. Also DIAL has entered into "Call spread Option" with bank for hedging the repayment of 6.45% Senior secured notes (2029) for USD 500 million borrowings which is repayable in June 2029.

Notes to the consolidated financial statements for the year ended March 31, 2021

Option Value (in USD Mn)	Period		Call spread range (INR/USD)	Total Premium Payable	Premium paid till	Premium outstanding as on
	From	To			March 31, 2021	March 31, 2021
522.60	December 6, 2016	October 22, 2026	66.85 - 101.86	1,241.30	519.07	722.23
80.00*	February 8, 2017	January 25, 2022	68.00 - 85.00	94.33	75.35	18.98
208.75*	January 25, 2018	January 25, 2022	63.80 - 85.00	198.34	148.95	49.39
350.00	June 24, 2019	May 30, 2029	69.25 - 102.25	742.79	122.50	620.29
150.00	February 27, 2020	May 30, 2029	71.75 - 102.25	307.17	32.87	274.30

During the previous year, DIAL has also entered into "Coupon only hedge" and "Call Spread option" with bank for hedging the payment of interest liability on 6.45% Senior secured notes (2029) for USD 150 million and 6.125% Senior secured notes (2022) for USD 288.75 million borrowings respectively.

* Subsequently, DIAL has cancelled Call spread options of USD 105.422 million (USD 80 million of February 8, 2017 options & USD 25.422 million from January 25, 2018 options) and Call spread option on interest liability of USD 105.422 million in April 2021 due to prepayment of USD 105.422 million to USD 288.75 million notes holders as per tender acceptance.

x. GAL has entered into the concession agreement with State of Greece and TERNA for the purpose of design, construction, financing, operation, maintenance and exploitation of International Airport of Heraklion, Crete, Concession SA. Per the agreement, GAL is required to invest EURO 70.2 million (₹ 553.15 crore). The company has infused equity of Euro 29.68 million (₹ 235.28 crore) till 31 March 2021.

During the previous year ended March 31, 2020, GAL has provided Committed Investment letter of guarantee for Euro 42.12 million, through SPV partner TERNA S.A., in favour of (i) Ministry of Infrastructures and Transport and (ii) International Airport of Heraklion, Crete, Concession SA. Subsequent to providing of abovementioned Guarantee, GAL has infused Euro 1.60 million (₹ 14.03 crore) in International Airport of Heraklion, Crete, Concession SA.

During the year ended March 31, 2021, GAL has given counter indemnity in the form of Bank Guarantee of Euro 10.53 million issued by HSBC Bank in favor of Ministry of Infrastructure and Transport (First Beneficiary) and Heraklion Crete International Airport Concession Societe Anonyme (Second Beneficiary) as per the provision mentioned in Concession agreement to replace the guarantee already provided through our partner TERNA on behalf of GAL.

xi. As per the terms of Airport Operator Agreement, DIAL is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.

xii. Refer Note 42 for commitments relating to lease arrangements.

xiii. Refer Note 8a and 8b with regards to other commitments of joint ventures and associates.

c) Contingent liabilities (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Corporate guarantees	2,980.18	3,636.70
Bank guarantees outstanding / Letter of credit outstanding	1,015.22	1,079.34
Bonds issued to custom authorities	112.00	112.00
Letter of comfort provided on behalf of joint ventures	1,788.50	1,533.58
Claims against the Group not acknowledged as debts	306.65	242.61
Matters relating to income tax under dispute	405.40	428.34
Matters relating to indirect taxes duty under dispute	319.69	325.82

Others Contingent liabilities:

1. The above amounts do not include interest and penalty amounts which may be payable till the date of settlements, if any.

2. A search under section 132 of the IT Act was carried out at the premises of the Holding Company and certain entities of the Group by the income tax authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 2013 to check the compliance with the provisions of the IT Act. The income tax department has subsequently sought certain information / clarifications. Block assessments have been completed for some of the companies of the Group and they have received orders/demand from the Income Tax Authorities for earlier years. The management of the Group has filed the appeals with the income tax department against the disallowances made in the assessment orders and believes that these demands are not tenable as it has complied with all the

Notes to the consolidated financial statements for the year ended March 31, 2021

applicable provisions of the IT Act with respect to its operations.

3. In respect of ongoing land acquisition process of KSL during the year ended March 31, 2020, there were claims of different types pending before various judicial forums such as, disputes between claimants, or writ petitions filed against property acquisitions, of land etc. As these cases were subject to judicial verdicts which are pending settlement and accordingly, no adjustments was made to these consolidated financial statements of the Group for the year ended March 31, 2020.

   During the year ended March 31, 2021, the Group has disposed off its investment in KSL (refer note 48(ii)).

4. There are numerous interpretative issues till now relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. The Group, its joint ventures and associates have paid the liability on a prospective basis from the date of SC order. The Group, its joint ventures and associates have not made any provision related to period before the order due to lack of clarity on the subject.

5. MSEDCL has raised a legal dispute on GETL at the Central Electricity Regulatory Commission seeking revocation of its trading license on account of failure to supply power. The Group is confident that litigation filed at the CERC by MSEDCL will not hold good as the same is not in accordance with the terms of the LOI and there is no financial implication expected out of this matter.

6. Refer note 36(a) with regard to contingent liability of the Group in case of tax demands in GMIAL.

7. Refer note 45(iii) with regard to contingent liability arising out of utilization of PSF(SC) Fund.

8. Refer note 8(a) and 8(b) with regards to contingent liabilities of the Group on behalf of joint ventures and associates.

9. Refer note 45(xii) with regards to contingent liabilities on Duty Credit Scrips in DIAL

10. Refer note 45(xi) with regards to contingent liabilities as regards dispute with Silver Resort Hotel India Private Limited in DIAL.

11. Refer note 45(vii) with regards to contingent liabilities as regards Annual Fee/Monthly Annual Fee (MAF) payable to AAI in DIAL.

12. Refer note 45(ix) with regards to contingent liabilities as regards revenue sharing on notional Ind AS adjustments.

42. Leases

Finance lease receivables — Group as lessor

GHAL(subsidiary for Group) has entered into finance lease arrangement (as Lessor) with GLPPL (joint venture for Group) for sublease of ~ 65.88 acres of land for the development of logistic park for the initial period of 18 years and extendable for another 30 years at option of GLPPL.

(₹ in crore)

Particulars	Minimum Lease Payments	
	March 31, 2021	**March 31, 2020**
Receivable not later than 1 year	0.50	0.50
Receivable later than 1 year and not later than 5 years	0.13	0.13
Receivable later than 5 years	11.05	-
Gross investment Lease	**11.68**	**0.63**
Less: Unearned Finance income	(4.65)	(0.06)
Present Value of Minimum Lease receivables	**7.03**	**0.57**

Operating leases - Group as lessor

The Group has sub-leased certain assets to various parties under operating leases having a term of 1 year to 49 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are renegotiable.

The lease rentals received during the year (included in Note 24 and Note 27) and the future minimum rentals receivable under non-cancellable operating leases are as follows:

Notes to the consolidated financial statements for the year ended March 31, 2021

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Receivables on non- cancelable leases		
Not later than one year	773.15	750.00
Later than one year but not later than five year	3,267.12	3,197.11
Later than five year	34,359.62	35,318.15

Operating leases - Group as lessee

The Group has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipment's and certain non-cancellable operating lease agreements towards land space and office premises and hiring office equipments and IT equipments. The lease rentals paid during the year (included in Note 32) and the maximum obligation on the long term non - cancellable operating lease payable are as follows:

Lease liability

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Opening balance	**115.37**	**120.90**
Addition / Disposal	21.46	0.58
Other adjustments	(3.53)	(2.03)
Interest for the year	10.93	10.51
Repayment made during the year	(21.98)	(14.59)
Closing balance	**122.25**	**115.37**
Disclosed as:		
Non - current	110.24	105.24
Current	12.01	10.13

Following amount has been recognized in statement of consolidated profit and loss account

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Amortisation on right to use asset	17.11	15.71
Interest on lease liability	10.93	10.51
Expenses related to short term lease (included under other expenses)	47.16	49.24
Expenses related to low value lease (included under other expenses)	0.51	1.15
Total amount recognised in statement of profit and loss account	**75.71**	**76.61**

Other Notes

i. For right of use assets refer note 4.

ii. For maturity profile of lease liability refer note 52.

Notes to the consolidated financial statements for the year ended March 31, 2021

43. Other provisions

(₹ in crore)

Particulars	Provisions for operations and maintenance	Provision for rehabilitation and settlement	Provisions against standard assets	Provision for replacement obligations	Provision for power banking arrangement	Others	Total
As at April 1, 2019	**359.66**	**42.86**	**7.58**	**-**	**44.45**	**-**	**454.55**
Provision made during the year	70.56	-	3.11	-	136.34	120.62	330.63
Notional interest on account of unwinding of financial liabilities	13.20	-	-	-	-	-	13.20
Amount used during the year	(130.35)	(0.13)	-	-	(44.60)	-	(175.08)
Amount reversed during the year	(4.33)	-	(0.29)	-	-	-	(4.62)
As at March 31, 2020	**308.74**	**42.73**	**10.40**	**-**	**136.19**	**120.62**	**618.68**
Provision made during the year	35.88	-	0.49	10.67	-	5.19	52.23
Notional interest on account of unwinding of financial liabilities	12.54	-	-	-	-	-	12.54
Amount used during the year	(64.87)	-	-	-	(136.19)	-	(201.06)
Amount reversed during the year	(1.71)	(42.73)	(0.32)	-	-	(0.65)	(45.41)
As at March 31, 2021	**290.58**	**-**	**10.57**	**10.67**	**-**	**125.16**	**436.98**
Balances as at March 31, 2020							
Current	230.63	42.73	0.47	-	136.19	120.62	530.64
Non-current	78.11	-	9.93	-	-	-	88.04
Balances as at March 31, 2021							
Current	247.78	-	0.80	4.05	-	124.92	377.55
Non-current	42.80	-	9.77	6.62	-	0.24	59.43

Notes:

Provisions for operations and maintenance

During the current year, based on report by independent agency on road roughness index, the management has revised its assumption about the timing and quantum of the estimated overlay expenditure which has resulted in the reversal of excess provision of ₹ 1.71 crore (March 31, 2020: Rs 4.33 crore). Also refer note 38a(vi).

Provision for rehabilitation and settlement

The provisions for rehabilitation and resettlement liabilities represent the management's best estimate of the costs which will be incurred in the future to meet the Group's obligations towards rehabilitation and resettlement for the purpose of acqusition of land for development of Special Economic Zone.

The Group has disposed off its investment in Kakinada SEZ Limited (KSL) in the current financial year resulting in reversal of provision for rehabilitation and settlement.

Contingent provisions against standard assets

As per regulation 10 of the prudential norms issued by Reserve Bank of India ("RBI"), every Non-Banking Financial Institution i.e. Systematically Important Core Investment Company (CIC-ND-SI) is required to make provision @ 0.40% (March 31, 2020: 0.40%) on all standard assets and as per regulation 9 at other defined percentages for all "sub-standard assets, doubtful assets and loss assets.

In order to comply with the prudential norms, GAL and DSPL, based on the legal opinion, has identified only interest-bearing assets to be considered for provisioning. Accordingly, GAL and DSPL have created provision on standard assets @ 0.40% (March 31, 2020: 0.40%) on inter corporate deposits only.

In addition to above, GAL has also created provision @ 10% on the loan to related party, trade receivables and other receivables, as per the requirement of master directions-core investments Companies (Reserve Bank) Directions.

Provision for replacement obligations

GACAEL, a subsidiary of the Group, has made provision towards replacement obligations of its Cargo business.

Provision for power banking arrangement

GETL has entered into banking transactions for supply of power. As per the terms of the contract, GETL obtains power for sale to third party from the power generator("supplier") which is required to be returned by GETL to the supplier at a future date. GETL recognised revenue towards the said power sold to the third party at the time of supply of power by the supplier. GETL being a trader is required to enter into contract with another power generator for supplying the power to be returned at a future date to the original supplier. GETL has estimated a provision towards purchase of power to be made at a future date to close the open positions in banking arrangements based on the rates available with it in the Letter of Intent for supply of power at a future date.

Notes to the consolidated financial statements for the year ended March 31, 2021

44. Trade receivables

i. The Group has a receivable (including unbilled revenue) of ₹ 246.96 crore as at March 31, 2021 (March 31, 2020: ₹ 226.85 crore) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing 'Airport Enhancement and Financing Service Agreement' with the International Air Transport Association ('IATA') for recovery of dues from Air India and Air India being a government enterprise/undertaking, the Group considers its dues from Air India as good and fully recoverable. During the year ended March 31, 2021, the Group has recognized receivable of ₹ 29.75 crore (March 31, 2020: ₹ 28.90 crore) (including GST) and received ₹ Nil (March 31, 2020: ₹ 8.41 crore) (including GST) towards interest agreed to be paid by Air India Limited. In view of payment and continuous reduction in the overdue quarter on quarter backed by continuing "Airport Enhancement and Financing Service Agreement" with IATA for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Group considers its due from Air India as good and fully recoverable. As agreed in 13th OMDA Implementation Oversight Committee ('OIOC') meeting, the Group has not paid revenue share on ₹ Nil (March 31, 2020: ₹ 27.97 crore) recognised as interest income on delayed payment by Air India.

ii. As at March 31, 2021, GGAL (earlier GPCL, merged with GGAL with effect from March 31, 2019) , a subsidiary of the Holding Company, has receivables from TAGENDCO aggregating to ₹ 114.12 crore (March 31, 2020: Rs 114.12 crore). Based on an internal assessment and various discussions that the Group had with TAGENDCO, the management of the Group is confident of recovery of such receivables and accordingly, no adjustment has been made in these consolidated financial statements.

45. Matters related to certain airport sector entities:

i. AERA Tariff Order and Airport Development Fee ('ADF') Order

Airport Economic Regulatory Authority ('AERA') DF Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 and 57/2020-21 on determination of Aeronautical Tariff was issued on November 14, 2011, December 28, 2012, April 24, 2012 and December 30, 2020 respectively

a) DIAL implemented the Tariff order No. 40/2015-16 dated December 8, 2015 issued by AERA for the second control period with effect from July 8, 2017 as per directions of Director General of Civil Aviation dated July 7, 2017. DIAL's appeal no. 10/2012 with respect to first control period has been concluded at the TDSAT along with the appeal of certain airlines. TDSAT vide its order dated April 23, 2018 has passed the order, which provides clarity on the issues which were pending for last six years and has laid down the principles to be followed by AERA in the third control period starting from April 1, 2019. DIAL expects the uplift impact of the TDSAT order to reflect in the tariff determination by AERA for the third control period i.e. 2019 -2024. DIAL's appeal against the second control period is pending before the TDSAT and the same is still to be heard which shall be heard in due course. Also, DIAL in respect of TDSAT order dated April 23, 2018 has filed a limited appeal in the Hon'ble Supreme Court of India on July 21, 2018 and same is still to be heard.

   Further, DIAL has filed tariff proposal for the third control period starting April 1, 2019 to March 31, 2024 with the regulator on November 27, 2018. AERA has time to time extended the prevailing tariff. AERA has issued tariff order for third control period on December 30, 2020 allowing DIAL to continue with BAC+10% tariff for the balance period of third control period plus compensatory tariff in lieu of Fuel Throughput Charges. DIAL had also filed an appeal against some of AERA's decisions in the third control period order on January 29, 2021 with TDSAT.

b) AERA has passed an order vide Order No 30/2012-13 dated December 28, 2012 in respect of levy of development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from ₹ 200 to ₹ 100 and from ₹ 1,300 to ₹ 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. Further, AERA issued order No.47/2015-16 dated January 25, 2016, restricting cut-off date for collection of ADF upto April 30, 2016. As per the order, AERA has granted AAI six months' time after cut-off date (i.e. April 30, 2016) to reconcile and arrive at the over recovery / under recovery of ADF. However, the same is pending finalization. The over / under recovery will be accounted on final reconciliation of ADF with AAI. However, DIAL has collected the DF receivable in full and settled the DF loan on May 28, 2016.

ii. In case of GHIAL had filed an appeal, challenging the disallowance of pre-control period losses, foreign exchange loss on external commercial borrowings and other issues for determination of aeronautical tariff for the First Control Period commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). During the current year, Telecom Disputes Settlement Appellate Tribunal (TDSAT) in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021.

In relation to determination of tariff for the Second Control Period, commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on December 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the first control period, including true up for shortfall of receipt vis-a-vis entitlement for the First Control Period, GHIAL had filed a writ petition with the Hon'ble High Court at Hyderabad on February 6, 2018 and obtained a stay order from the High Court vide order dated February 7, 2018 in respect of further proceedings in determination of tariff order for the second control period. Pending determination of Aeronautical Tariff, AERA vide its order no. 48 dated March 25, 2019 has allowed GHIAL to continue to charge the aeronautical tariff as prevailed on March 31, 2016 till September

Notes to the consolidated financial statements for the year ended March 31, 2021

30, 2019 or till determination of tariff for the aforesaid period whichever is later. In view of the above, GHIAL has applied aeronautical tariff as prevailed on March 31, 2016 during the year ended March 31, 2020.

Consequent to the Order passed by TDSAT dated March 06, 2020, AERA, in respect of the remainder of the Second control period, i.e. from April 1, 2020 to March 31, 2021, has determined the Aeronautical tariff vide its Order no: 34/2019-20/HIAL dated March 27, 2020. Accordingly, GHIAL has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order, for the year ended March 31, 2021.

In July 2020, GHIAL filed an application with the AERA for determination of Aeronautical tariff for the third control period commencing from April 1, 2021 to March 31, 2026.

iii. The Ministry of Civil Aviation (MoCA) issued orders to DIAL and GHIAL (collectively 'Airport Operations') requiring the Airport Operators to reverse the expenditure incurred, since inception towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of Passenger Service Fee (Security Component) ['PSF (SC)'] escrow account opened and maintained by the Airport Operators in a fiduciary capacity. Managements of the Airport Operators are of the view that such orders are contrary to and inconsistent with Standard Operating Procedure (SOPs), guidelines and clarification issued by the MoCA from time to time and challenged the said orders before Hon'ble High court of their respective jurisdictions by way of a writ petition. The Hon'ble Courts had stayed the MoCA order with an undertaking that, in the event the decision of the writ petitions goes against the Airport Operators, it shall reverse all the expenditure incurred from PSF (SC).

The Airport Operators had incurred ₹ 439.25 crore towards capital expenditure (including the construction cost and cost of land mentioned below and excluding related maintenance expense and interest thereon) till March 31, 2021 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time.

Further, in case of DIAL, MoCA had issued an order dated September 18, 2017 stating the approximate amount of reversal to be made by DIAL towards capital expenditure and interest thereon amounting to ₹ 295.58 crore and ₹ 368.19 crore respectively, subject to the order of the Hon'ble High court of Delhi.

During the year ended March 31, 2019, pursuant to AERA order No. 30/ 2018-19 dated November 19, 2018 with respect to DIAL's entitlement to collect X-ray baggage charges from airlines, DIAL has remitted ₹ 119.66 crore to PSF (SC) account against the transfer of screening assets to DIAL from PSF (SC) to DIAL with an undertaking to MoCA by DIAL that in case the matter pending before the Hon'ble High Court is decided in DIAL's favour, DIAL will not claim this amount back from MoCA.

Based on the internal assessments and pending final outcome of the aforesaid writ petitions, no adjustments have been made to the accompanying consolidated financial statements of the Group for the year ended March 31, 2021.

Further, as per the advice from the Ministry of Home Affairs and the Standard Operating Procedures ('SOP') issued by MoCA on March 6, 2002, GHIAL, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited ('HASSL') constructed residential quarters for Central Industrial Security Forces ('CISF') deployed at the Hyderabad airport. After completion of such construction, the total construction cost including the cost of land amounting to ₹ 113.73 crore was debited to the PSF(SC) Fund with intimation to MoCA. The Comptroller and Auditor General of India ('CAG'), during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by MoCA. However, management of the Group is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached MoCA for approval to debit such costs to the PSF (SC) Fund account and also, made an application for increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) Fund.

In earlier years, MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, GHIAL requested MoCA to advice the AERA for considering the cost of land/ construction and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Hyderabad airport. Pending final instruction from MoCA, cost of residential quarters continue to be accounted in the PSF(SC) Fund and no adjustments have been made to the accompanying consolidated financial statements of the Group for the year ended March 31, 2021.

iv. DIAL has received Advance Development Costs (ADC) of ₹ 680.14 crore, including ₹ 6.93 crore related to Phase II development (March 31, 2020: ₹ 680.14 crore, including ₹ 6.93 crore related to Phase II development) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, DIAL will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, DIAL has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by DIAL towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2021, DIAL has incurred development expenditure of ₹ 582.11 crore (March 31, 2020: ₹ 567.81 crore), which has been adjusted against the aforesaid ADC. Further, in case of Silver Resort Hotel India Private Limited, DIAL had transferred ₹ 32.61 crore as unspent ADC in its proportion refundable to Silver Resort Hotel India Private Limited to 'Advances from customer', basis the arbitration order which is now refunded during the previous financial year as per settlement agreement approved vide Hon'ble High Court order dated November 7, 2019. Remaining ADC of amount ₹ 65.42 crore including ₹ 6.93 crore related to Phase II development (March 31, 2020: ₹ 79.72 crore, including ₹ 6.93 crore related to Phase II development) is disclosed under other liabilities in consolidated financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2021

v. DIAL is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by DIAL. As at March 31, 2021, DIAL has accounted for ₹ 181.07 crore (March 31, 2020: ₹ ₹ 174.40 crore) towards such Marketing Fund and has incurred expenditure amounting to ₹ 129.34 crore (March 31, 2020: ₹ 117.27 crore) (net of income on temporary investments) till March 31, 2021 from the amount so collected. The balance amount of ₹ 51.72 crore pending utilization as at March 31, 2021 (March 31, 2020: ₹ 57.13 crore) against such sales promotion activities is included under "Other current liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose as per Marketing Fund Policy.

vi. The consolidated financial statements of the Group do not include accounts for PSF (SC) of DIAL and GHIAL as the same are maintained separately in the fiduciary capacity by these entities on behalf of Government of India (GoI)and are governed by SOP issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by MoCA, GoI. As per the MoCA notification, the PSF(SC) is replaced by Aviation Security Fee w.e.f. July 1, 2019 and will be governed by National Aviation Security Fee trust.

vii. DIAL has made an internal assessment on computation of Annual Fee payable to AAI and is of the view that the Annual Fee has been paid to AAI on Gross Receipts credited to the statement of profit and loss (with certain exclusions) instead of on the “Revenue” as defined under OMDA. The legal opinion obtained in this regard made it clear that there were excess payments of Annual Fee by DIAL by mistake from time to time to AAI. Accordingly, as per the decision taken by the Board of Directors of DIAL, a claim for return of excess Annual Fee paid to the AAI was raised on December 26, 2016. AAI has not agreed to the claim and insisted DIAL to continue to pay Annual Fee on the same basis, which DIAL is paying under protest and accounting annual fee as expense till the matter is settled. Accordingly, the dispute arose under OMDA but same could not be resolved amicably leading to the initiation of arbitration proceedings, which have commenced from December, 2018. DIAL has submitted its statement of claim in respect of which, AAI has filled its Statement of Defense (SOD). Pleadings in the matter are completed and issues were framed by Arbitral Tribunal. At the stage of oral evidence, DIAL had examined two of its witnesses. Despite opportunity being given no witness was examined by AAI. DIAL had completed its arguments/ submissions, AAI arguments have been partly heard and will further continue on the next date of hearing. However, due to current COVID -19 situation, the matter was not taken up for hearing for AAI’s arguments and was simply adjourned. Next date of hearings are July 11, 2021, July 18, 2021 and August 01, 2021 for AAI’s arguments and August 07, 2021 and August 08, 2021 for DIAL’s rejoinder arguments.

viii. In the month of March 2020, DIAL in its various communications issued inter-alia under Article 16 (Force Majeure), informed AAI that consequent to outbreak of Covid-19 pandemic, the entire aviation industry, particularly the IGI Airport has been adversely affected. It was specifically communicated that the said crisis has materially and adversely affected the business of DIAL which in turn directly impacts the performance of DIAL’s obligations under the OMDA (including obligation to pay Annual Fee/Monthly Annual Fee) while it is continuing to perform its obligation to operate, maintain and manage the IGI Airport. DIAL thereby invoked Force Majeure as provided under Article 16 of OMDA and claimed that it would not in a position to perform its obligation to prepare Business Plan and pay Annual Fee/ Monthly Annual fee to AAI. The said event(s) of Force Majeure has also been admitted by AAI in its communication to DIAL. Consequently, DIAL is entitled to suspend or excuse the performance of its said obligations as notified to AAI. However, AAI has not agreed to such entitlement of DIAL under OMDA. This has resulted in dispute and for the settlement of which, DIAL has invoked on September 18, 2020 dispute resolution mechanism in terms of Article 15 of OMDA. Further, on December 2, 2020, DIAL again requested to AAI to direct the Escrow Bank to not transfer the amounts from Proceeds Accounts to AAI Fee Account, seeking similar treatment as granted by Hon’ble High Court of Delhi to Mumbai International Airport Ltd.

In the absence of response from AAI, DIAL approached Delhi High Court seeking certain interim reliefs by filing a petition u/s 9 of Arbitration & Conciliation Act on December 5, 2020 due to the occurrence of Force Majeure event due to outbreak of COVID 19 and its consequential impact on business of DIAL, against AAI and ICICI Bank (Escrow Bank). The Hon’ble High Court of Delhi vide its order dated January 5, 2021 has granted ad-interim reliefs with following directions:

- The ICICI Bank is directed to transfer back, into the Proceeds Account, any amount which may have been transferred from the Proceeds Account to the AAI Fee Account, after December 9, 2020,
- Transfer of moneys from the Proceeds Account to the AAI Fee Account, pending further orders, shall stand stayed and DIAL can use money in Proceeds Account to meet its operational expenses.

Meanwhile with the nomination of arbitrators by DIAL and AAI and appointment of presiding arbitrator, the arbitration tribunal has been constituted on January 13, 2021. The first preliminary hearing was held on January 29, 2021. Parties have to complete their pleadings by June 19, 2021 and DIAL has filed its statement of claim on March 25, 2021.

Before DIAL’s above petition could be finally disposed off and while the issue is now pending before the Arbitral Tribunal, AAI has preferred an appeal against the ad-interim order under section 37 of the Arbitration and Conciliation Act, 1996 before division bench of Delhi High Court.

Though AAI has preferred an appeal, but it has not issued any certificate or instructions to the Escrow Bank from December 9, 2020 onwards regarding the amount of AAI Fee payable by DIAL to AAI, as contemplated under the Escrow Agreement and the OMDA. Resultantly both pursuant to the ad-interim order of Hon’ble Delhi High Court and in the absence of any certificate or instruction from AAI, the Escrow Bank has not transferred any amount pertaining to AAI Fee from Proceeds Account to AAI Fee Account of the Escrow Account from December 9, 2020 onwards.

Notes to the consolidated financial statements for the year ended March 31, 2021

Basis the legal opinion obtained, DIAL is entitled to not to pay the Monthly Annual fee under article 11.1.2 of OMDA to AAI being an obligation it is not in a position to perform or render on account of occurrence of Force Majeure Event, in terms of the provisions of Article 16.1 of OMDA till such time DIAL achieves level of activity prevailing before occurrence of Force majeure. Further, DIAL has also sought relief for refund of MAF of an amount of ₹ 465.77 crore appropriated by AAI for the period starting from March 19, 2020 till December 2020.

In view of the above, the management of DIAL has decided not to provide the Monthly Annual Fee to AAI amounting to ₹ 768.69 crore for the year ended March 31, 2021 on "Revenue" as defined in OMDA (refer note 45(ix)).

Additionally, AAI had already appropriated the Monthly Annual Fee amounting to ₹ 446.21 crore from April 01, 2020 till December 9, 2020, which DIAL has already protested. Accordingly, the same has been shown as Advance to AAI paid under protest. However, since the recovery of this amount is sub-judice before the Hon'ble Delhi High Court and the arbitral tribunal, as a matter of prudence, DIAL has decided to create a provision against above advance and shown the same in other expenses (refer note 32).

ix. In case of DIAL and GHIAL, as per the Operations, Management and Development Agreement ('OMDA') / Concession Agreement, DIAL and GHIAL are liable to pay a certain percentage of the revenue as Monthly Annual Fee ('MAF') / Concession Fee ('CF') to Airport Authority of India / Ministry of Civil Aviation respectively. The management is of the view that certain income / credits arising on adoption of Ind AS, mark to market gain on valuation of Interest Rate Swap, gain on reinstatement of Senior Secured Notes and Scrips received under Services Export from India Scheme ('SEIS') in the nature of government grant, interest income from Air India, etc were not contemplated by the parties to the agreements at the time of entering the agreements and these income / credit do not represent receipts from business operations from any external sources and therefore should not be included as revenue for the purpose of calculating MAF / CF. Accordingly, DIAL and GHIAL based on a legal opinion, has provided for MAF / CF on the basis of revenue adjusted for such incomes/ credits. Detail of such incomes / credits for the year ended March 31, 2021 and March 31, 2020 are as under:

(₹ in crore)

Particulars	March 2021		March 2020	
	GHIAL	DIAL	GHIAL	DIAL
Construction income from commercial property developers	-	14.30	-	15.43
Discounting on fair valuation of deposits taken from commercial property developers	-	31.80	-	31.89
Discounting on fair valuation of deposits taken from concessionaires	7.46	71.03	6.48	64.07
Interest income on security deposits given carried at amortised cost	0.25	0.20	0.23	0.36
Significant financing component on revenue from contract with customers	1.10	1.89	1.10	4.80
Income recognized on straight lining of revenue under Ind AS 116	5.65	-	2.09	-
Income arising from fair valuation of financial guarantee	0.96	-	0.82	-
Income from government grant	5.27	-	5.28	-
Amortisation of deferred income	0.26	-	0.52	-
Interest income from Air India	-	-	-	27.97

DIAL has accrued revenue of ₹ 735.21 crore (March 31, 2020 ₹ 412.87 crore) basis straight lining revenue, in accordance with Ind AS 116. Revenue share of ₹ 338.12 crore (March 31, 2020 ₹ 189.88 crore) on this revenue is also provided and payable to AAI in future years on actual realization of revenue. Further, DIAL has also provided the "Airport Operator Fees" included in "Other expenses" based on "Gross revenue" for the last financial year, after excluding the income/ credits from above transactions.

x. On June 15, 2020, Delhi Cantonment Board ('DCB') has passed the order on DIAL, contradicting its own previous demand and acted in contravention of Cantonment Act, 2006 and the HC order dated December 2, 2019 has sought to retrospectively enhance the rate of property tax leviable on the DIAL on the pretext of purported errors in calculation, determining the property tax payable by the DIAL for the assessment period i.e. 2016-17, 2017-18, 2018-19 to be Rs 2,589.11 crore after making due adjustments of amounts already deposited. DIAL has thus challenged the assessment and demand by way of writ petition before Hon'ble Delhi High Court and sought stay against the assessment and demand. DIAL filed a Writ Petition on July 20, 2020 before the High Court of Delhi challenging the assessment order dated June 15, 2020. The writ petition was heard on various dates in which Honourable Delhi High Court directed DCB not to take any coercive action against DIAL till next hearing.

Now, AAI, DCB and Ministry of Defence have filed their counter reply. Pending writ petition, DCB has raised additional demand of property tax for ₹ 1,733.32 crore for 2019-20 and 2020-21 after considering amount paid by DIAL, which have also been objected by DIAL in view of directions of the High court to DCB not to take any coercive action. Accordingly, DIAL has filed its additional affidavit for consideration for financial year ended March 31, 2020 and March 31, 2021 in present writ petition. The matter is now listed for further hearing on July 08, 2021.

xi. DIAL had entered into 'Development Agreement' and the 'Infrastructure Development and Service Agreement' with Silver Resort Hotel India Private Limited (hereinafter referred as 'Developer') on February 26, 2010 for development and operation of commercial property area located in

Notes to the consolidated financial statements for the year ended March 31, 2021

Aerocity for a period of 30 years; further extendable to another 30 years. As per term of agreements, Developer was required to pay the License fee and other charges to DIAL on annual basis. On July 16, 2015, DIAL has issued termination notice on account of failure by the Developer to pay the License Fees and other charges, required to be paid under the agreements executed between DIAL and the Developer. Consequently, the Developer has invoked the arbitration process as per Infrastructure Development and Service Agreement.

The Arbitral Award was passed by the Hon'ble Arbitral Tribunal which was received by DIAL on September 08, 2017. The favorable award passed in majority by Tribunal granting ₹ 115.89 crore award to DIAL and directing it to settle the award against security deposits of ₹ 192.88 crore lying with DIAL and pay the balance ₹ 76.99 crore to the Developer. However, one of the arbitrators has passed the dissenting order granting award in favor of Developer amounting to ₹ 416.86 crore. Dissenting award granted by one of the arbitrators is not enforceable / binding on the parties, being the minority order / dissenting opinion. Accordingly, DIAL has deposited payment of ₹ 76.13 crore (net of recovery of arbitration cost of ₹ 0.86 crore) in the Hon'ble High Court of Delhi as per arbitration award.

Further, Developer has filed an appeal against the arbitration award before the Hon'ble High court. The matter was heard for arguments on April 26, 2018 and the judgment was pronounced on May 8, 2018 in favour of DIAL.

Pursuant to the above order, the Developer has preferred an appeal before Double Bench of Delhi High Court which was heard on July 4, 2018.

Both the parties agreed for settlement and accordingly the matter has been settled vide Hon'ble High Court order dated November 7, 2019 according to which DIAL has paid ₹ 54 crore to the developer as final settlement including outstanding ADC of ₹ 32.61 crore

xii. The Government of India announced Services Export from India Scheme (SEIS) under Foreign Trade Policy (FTP) 2015-20 under which the service provider of notified services is entitled to Duty Credit Scrips as a percentage of net foreign exchange (NFE) earned. These Scrips either can be used for payment of basic custom duty on imports or can be transferred/traded in the market.

Pursuant to above, during the year ended March 31, 2018, DIAL had received SEIS scrips of ₹ 31.19 crore of financial year 2015-16 having validity till September 30, 2019. Pursuant to above, during the year ended March 31, 2019, DIAL has received SEIS scrips of ₹ 55.82 crore for financial year 2016-17, having validity till October 21, 2020. During the year ended March 31, 2020, DIAL has also received SEIS scrips of ₹ 24.32 crore and ₹ 15.87 crore for FY 2017-18 and FY 2018-19 respectively, having validity till June 20, 2021 and August 13, 2021 respectively.

As on March 31, 2021, DIAL has entirely utilized / sold ₹ 127.20 crore (March 31, 2020: ₹ 111.11 crore) of the remaining scrips. The Scrips received under SEIS are in nature of Government Grant and is similar to the Scrips received earlier under Served from India Scheme (SFIS) of Foreign Trade Policy 2010-15. DIAL is of the view that as per the latest Arbitral Order dated December 27, 2018 in case of SFIS Scrip, the Income from SEIS Scrip is out of the purview of revenue definition as per OMDA. Accordingly, management believes that, no Annual Fee is payable as per the provisions of OMDA and has not been provided in these consolidated financial statements.

xiii. The Holding company along with other shareholders of the GMR Airports Limited (GAL), a subsidiary Company (together referred as "GMR Group") had signed a share subscription and share purchase agreement with Aerport De Paris SA (ADP) for stake sale in the GAL on February 20, 2020. Pursuant to consummation of the same, ADP would hold 49% stake (directly & indirectly) in the GAL for an equity consideration of Rs 10,780.00 crore, valuing GAL at the Base post money valuation of ₹ 22,000.00 crore. The equity consideration comprises of:

- ₹ 9,780.00 crore towards secondary sale of shares by GMR Group; and
- ₹ 1,000.00 crore equity infusion in GAL

In addition, ADP had also pegged Earn-outs upto ₹ 4,475.00 crore linked to achievement of certain agreed operating performance metrics as well as on receipt of certain regulatory clarifications. The successful consummation of earnouts, could increase, GAL's valuation on post money basis to ₹ 26,475.00 crore and the Group stake in GAL to ~59%. The Group will retain management control over the Airports Business with ADP having customary rights and board representation at GAL and its key subsidiaries.

The first tranche of Rs 5,248.00 crore for 24.99% shares of GAL (primarily through buyout of GMR Infra Services Limited (GISL) via primary infusion of equity) had been completed on February 24, 2020. The second & final tranche of ₹ 5,532.00 crore (including primary of ₹ 1,000.00 crore in GAL) was subject to regulatory approvals, consents and other approvals.

Since March 31, 2020, the outbreak of COVID-19 and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Despite unprecedented adverse conditions, on July 7, 2020 the GMR Group has successfully completed the transaction with ADP with slight modifications. As per the revised Share Purchase Agreement, the second tranche of the investment for 24.01% of GAL has been structured in two parts:

- A firm amount, immediately paid at Second closing, for a total of ₹ 4,565.00 crore, including ₹ 1,000.00 crore equity infusion in GAL.
- Earn-outs amounting to Rs 1,060.00 crore, subject to the achievement of certain performance related targets by GAL upto FY2024.

Accordingly, ADP has increased earn-outs for GMR Group which are now pegged at up to ₹ 5,535.00 crore compared to the earlier ₹ 4,475.00 crore. These additional Earn-outs of ₹ 1,060.00 crore are linked to the achievement of certain agreed EBITDA metrics/ levels.

The GMR Group has accordingly accounted for the second and final tranche in these consolidated financial statements. Pursuant to the revised

Notes to the consolidated financial statements for the year ended March 31, 2021

SPA, the Second Closing was concluded on July 7, 2020 and the entire amount of ₹ 4,565.00 crore towards second & final tranche payment from ADP has been received. This money has been primarily used in servicing the debt which has helped deleverage both the Group and GAL further and result in improved cash flows and profitability.

xiv. In respect of DIAL's equity investment in WAISL, DIAL has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years. However, on June 26, 2019, DIAL sold its entire investment in WAISL Limited of ₹ 1.30 crore (13,00,000 shares of ₹ 10 each) to Antariksh Softtech Private Limited based on valuation of independent valuer.

xv. The Board of directors of GADL (Mauritius) Limited (GADLML) at its meeting held on December 16, 2019, approved the proposal to wind up the affairs by way of member voluntary wind up. Accordingly, GADLML has appointed Official Liquidator for the purposed member voluntary windup on December 16, 2019 and is under Insolvency Act 2009. As on December 25, 2020 GADLML received the acknowledgement for winding up.

xvi. The Board of directors of GMR Hyderabad Airport Power Distribution Limited (GHAPDL) at its meeting held on February 17, 2020, approved the proposal for making an application for removal off its name, from the Registrar of Companies, maintained by the registrar. Accordingly required application in form STK 8 has been filed with the registrar. As on March 13, 2021 GHAPDL received acknowledgement for removal off its name from Registrar of Companies.

xvii. The Hon'ble Supreme Court of India (SCI) vide its Judgment dated January 16, 2020 lifted the suspension on the Environmental Clearance (EC) granted for the Mopa International Airport Project. This order will pave the way for commencement of construction and development activities at the Mopa airport. In lifting the suspension of the EC, SCI directed compliance of all original and additional conditions which would be implemented under the supervision of National Environmental Engineering Research Institute (NEERI).

xviii. GMR Hyderabad Aerotropolis Limited (GHAL), a subsidiary of GMR Hyderabad lnternational Airport Limited (GHIAL), has formed a joint venture with ESR Hyderabad 1 Pte Limited (ESR), a subsidiary of the Hong Kong headquartered ESR Cayman Limited, to develop a 66-acre logistics and industrial park at the Hyderabad airport city. ESR and GHAL for the aforesaid transaction have entered into definitive agreements with an equity interest of 70% and 30% respectively in the SPV viz., GMR Logistics Park Private Limited (GLPPL). However legal compliance for the above mentioned transaction and share transfer to ESR has taken place in April 2020. The same has been classified as held for sale as detailed in note 36 as at March 31, 2020. Subsequently on completion of share sale agreement on April 16, 2020 GLPPL is treated as joint venture of the Group.

xix. DIAL has entered into Development agreements with five developers collectively referred as Bharti Reality SPV's ("Developers") on March 28, 2019 ("Effective date") granting the Developers the right during the term for developing 4.8 million square feet commercial space from the Effective Date and thereafter presently granted sub lease of the asset area in Gateway and Downtown Districts. As per the terms of Development agreements, DIAL is entitled to receive interest free refundable security deposit ("RSD"), advance development cost ("ADC") and the annual lease rent ("ALR"). On the Effective Date as specified in the Development agreements DIAL has received the initial first tranche payment towards RSD amount from the Developers.

At the initial planning phase of the project, DIAL was required to procure the Concept Master Plan ("CMP") approval from governmental authorities, including the Airport Authority of India ("AAI") within 180 days from the Effective Date or with in a further additional time period of 90 days. Post the expiry of 270 days from the Effective Date, only the Developers can extend such period. The Developers have provided such extension up to June 30, 2021.

Due to global impact of COVID-19, aviation industry has been adversely affected. Further, the approval of CMP from Government authorities, is finally been received from Delhi Urban Art Commission (DUAC) in March 2021. Considering the significant delay in getting the CMP approval, DIAL is not in a position to seek payment of ALR from the Developers for the financial year ended on March 31, 2021. As discussions are in process with Developers, pending final settlement of the issues with the Developers, DIAL management has decided not to accrue ALR effective from April 01, 2020 till the final settlement with the Developers and considered the financial year 2021 as Lease Holiday period. Accordingly, DIAL has accrued revenue of ₹ 463.84 crore during the quarter ended March 31, 2021 on straight line basis considering Financial Year 2021 as Lease Holiday period, in accordance with recognition and measurement principles under Ind AS 116 "Leases".

xx. DIAL had entered a settlement agreement with Bamboo Hotel ("Developer") on January 17, 2019 in reference to dispute which arose due to non-approval of concept plan by AAI and consequent loss of revenue and time to the Developer. The settlement agreement was entered with the background that AAI approval on the concept master plan will be arranged shortly by the DIAL and there will be no further loss of revenue and time to the Developer. As per Settlement agreement, the Developer shall pay the license fee for FY 2020-21 and FY 2021-22 in March 2022.

Further, Developer has informed via communication dated November 17, 2020 that since, the approval of AAI on revised concept plan was received on September 4, 2020 and COVID 19 pandemic has resulted into delay in commencement of development work and funding of the project etc., resulting loss of revenue and delay in project completion time by the developer. Developer has asked for waiver of applicable license fee for FY2020-21 and FY2021-22 due in March 2022. Considering the uncertainty in collection of license fees for FY 2020-21, DIAL management has assessed the possibility of developer agreeing to pay license fee for FY 2020-21 is remote and uncertain, hence the management has decided not to accrue the income for FY 2020-21, and considered financial year 2021 as Lease Holiday period. Accordingly, DIAL has accrued revenue of ₹ 47.43 crore (March 31, 2020: ₹ 48.49 crore) on straight line basis considering Financial Year 2020-21 as Lease Holiday period, in accordance with recognition and measurement principles under Ind AS 116 "Leases".

Notes to the consolidated financial statements for the year ended March 31, 2021

xxi. During the financial year ended 2019, GHIAL had entered into a term loan facility arrangement with Yes Bank Limited ("YBL" or "Bank"), to avail term loan of ₹ 4,200.00 crore and had incurred an up-front processing fee of ₹ 63.00 crore. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on April 21, 2020, the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from GHIAL for refund of the aforesaid up-front fees and to present GHIAL's request to the appropriate committees for approvals. Further, management has obtained legal opinion from an independent lawyer regarding GHIAL's right to receive the refund of upfront fee. In view of the above and on the basis of on-going discussions with the Bank officials, management is confident of the recovery of the said amount in full, and accordingly, no adjustment were considered necessary in the accompanying consolidated financial statements for the year ended March 31, 2021.

xxii. The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions w.r.t input tax credit allowability in respect of Civil work are not in line with the objective of the Act, and accordingly, held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST w.r.t. civil work. DIAL is engaged in rendering output supplies which is in the nature of letting out space/ facilities to various airline operators and other parties/concessionaires, in return for consideration, known by different nomenclatures and are leviable to GST. Hence, DIAL has availed the GST ITC in respect of the costs for civil work incurred as part of the Phase 3A expansion project and regular operations, upon application of the said judicial pronouncement.

Further, department has filed an appeal in Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court. Pending outcome of judgement of Hon'ble Supreme Court of India, considering the judgement of Hon'ble Orissa High Court and based on the opinion obtained by DIAL in this regard, the Management is of the view that GST ITC in respect of such civil work is eligible to be availed by DIAL.

Having regard to the same, GST ITC amounting to ₹ 477.62 crore (March 31, 2020: ₹ 254.01 crore) has been claimed in GST return and disclosed under balance with statutory / Government authorities in consolidated financial statements.

Further a Writ Petition has also been filed by DIAL in the matter before Delhi High Court on July 10, 2020, for ITC claim to be allowed of GST in respect of the civil works i.e. works contract service and goods and services received by DIAL for construction of immoveable property used for providing output taxable supplies. The writ was heard by the Hon'ble High Court on July 29, 2020 and issued notice to the respondents. Accordingly, the matter was heard on September 15, 2020 and on November 20, 2020. Next date of hearing has been fixed on July 09, 2021.

Further GHIAL has also recognized input tax credit on civil and related work aggregating to ₹ 372.80 crore (including ₹ 256.71 crore pertaining to earlier year) has been claimed in GST returns and disclosed under balance with government authorities in the consolidated financial statements.

Further, GHIAL has filed a writ petition (10367/2020) with Hon'ble High Court of Telangana requesting to strike down the relevant provisions of GST which denies ITC in respect of works contract services or goods and services received for construction of immoveable property (other than plant & machinery). The Hon'ble High Court had passed interim order directing the Respondents to not take any coercive action against the petitioner.

Further GIAL has also recognized input tax credit on civil and related work aggregating to ₹ 68.69 crore (March 31, 2020: Nil) has been claimed in GST returns and disclosed under balance with government authorities in the consolidated financial statements.

Further a Writ Petition has also been filed by GIAL in the matter before High Court of Bombay at Panaji, Goa on December 18, 2020, for ITC claim to be allowed of GST in respect of the civil works i.e. works contract service and goods and services received by GIAL for construction of immoveable property will be used for providing output taxable supplies.

xxiii. During the year 2018-19, DIAL had started the construction activities for phase 3A airport expansion as per Master Plan. DIAL has incurred ₹ 4,160.88 crore excluding GST (including capital advances of ₹ 635.76 crore (excluding GST)) till March 31, 2021 [March 31, 2020: ₹ 2,813.45 crore (including capital advances of ₹ 839.16 crore)] towards construction of phase 3A works, which includes Interest during construction of ₹ 418.08 crore (net of interest income Rs: 198.83 crore) as on March 31, 2021 (March 31, 2020: ₹ 117.15 crore [net of interest income of ₹ 115.80 crore]).

DIAL has capitalized the following expenses during construction, included in above, being expenses related to phase 3A airport expansion project. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by DIAL.

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Employee benefit expenses	28.78	16.67
Manpower hire charges	18.08	8.84
Professional consultancy	15.58	8.62
Travelling and conveyance	3.01	2.53
Others	3.90	1.04
Total	**69.35**	**37.70**

Notes to the consolidated financial statements for the year ended March 31, 2021

xxiv. During the year ended March 31, 2021 the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP) by GHIAL. Consequently, expenses disclosed under the other expenses are net of amounts capitalized.

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Opening balance (A)	**224.95**	**83.02**
Revenue expense:		
Legal and professional expense	53.31	83.75
Employee benefit expense	0.63	0.40
Travelling and conveyance	0.57	0.78
Finance cost	256.37	231.53
Total (B)	**310.88**	**316.46**
Less: Income		
Interest income from bank deposit	(29.62)	(95.75)
Interest income on security deposit paid	(1.11)	(1.24)
Total (C)	**(30.73)**	**(96.99)**
Net (D=B-C)	**280.15**	**219.47**
Less: Capitalised during the year (E)	(3.77)	(77.64)
Closing balance (F=A+D-E)	**501.33**	**224.85**

xxv. Pursuant to the investor agreements (including amendments thereof) entered into during the years ended March 31, 2011 and 2012 (hereinafter collectively referred to as "investor agreements"), GAL, a subsidiary of the Company, had issued 3,731,468 Class A Compulsorily Convertible Preference Shares ("CCPS A") of ₹ 1,000 each at a premium of ₹ 2,885.27 each and ₹ 3,080.90 each aggregating to ₹ 663.31 crore and ₹ 441.35 crore respectively, to certain Private Equity Investors ('Investors').

As per the terms of the investor agreement, the Company had a call option to buy CCPS A from the Investors for a call price to be determined as per the terms of the investor agreement.

The Company vide its letter dated April 1, 2015, had exercised the call option to buy the CCPS A, subject to obtaining the requisite regulatory approvals. However, Investors had initiated arbitration proceedings against GAL and the Company, seeking conversion of CCPS A.

The Company together with GAL had executed a settlement agreement dated August 13, 2018 with Investors to amicably settle all outstanding disputes pertaining to the matters which were the subject of the aforesaid arbitration. As per the settlement agreement, the Company through its wholly owned subsidiary, GISL, had purchased 2,714,795 CCPS A of GAL for an additional consideration of ₹ 3,560.00 crore from the Investors and balance 932,275 CCPS A have been converted into equity shares representing 5.86% shareholding of GAL in the hands of the Investors with a put option given by the Group to acquire the same at fair value.

However pursuant to the definitive agreement dated July 04, 2019 with TRIL Urban Transport Private Limited, a subsidiary of Tata Sons, Solis Capital (Singapore) Pte. Limited and Valkyrie Investment Pte. Limited, the management had considered the aforesaid additional obligation of Rs. 3,560.00 crore as recoverable and had recognized the same as a financial asset in it consolidated financial statements for the year ended March 31, 2019. This agreement was cancelled during the year ended March 31, 2020.

Pursuant to the transaction with ADP appropriate adjustments have been made to reflect the above transaction and the financial asset of ₹ 3,560.00 crore has also been adjusted with other equity as a consequence of the receipt of the above consideration..

46. Matters related to certain road sector entities:

i. GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Holding Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of ₹ 543.15 crore as at March 31, 2021. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads.

GACEPL had invoked arbitration proceedings against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) as per the terms of the Concession Agreement entered into with NHAI dated November 16, 2005 ('Concession agreement') and State Support Agreement dated February 21, 2006 and March 8, 2006 due to continued losses suffered by GACEPL on account of diversion of traffic to parallel roads developed by SoH and SoPb. GACEPL has raised its contention that NHAI, SoH & SoPb has breached the provisions of Concession Agreement and State Support Agreements by building parallel highways resulting in loss of traffic to the GACEPL's toll road. GACEPL had filed a net claim of ₹ 1,003.35 crore including interest, calculated up to March 31, 2019 before the Tribunal.

The three member Hon'ble Tribunal vide its order dated August 26, 2020, has pronounced the award wherein majority of the Tribunal has disagreed with the contention of the GACEPL and has rejected all the claims of GACEPL whereas the minority arbitrator has upheld the claims of the GACEPL and awarded the entire amount claimed by GACEPL. Majority Award has also vacated the stay granted on recovery of negative grant vide Tribunal's interim order dated August 13, 2013. Minority Arbitrator by way of minority award has agreed with most of the contention of GACEPL and has directed State of Haryana and State of Punjab jointly to pay the claim covered under his award along with interest from 2008 till March 31, 2019.

Further, in accordance with the terms of the Concession Agreement, GACEPL has an obligation to pay an amount of ₹ 174.75 crore by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created towards Deferred Payment. During earlier years GACEPL has paid negative grant to NHAI in various instalment and balance negative grant of ₹ 66.41 crore was due in instalments (i.e. ₹ 17.47 crore, ₹ 17.48 crore, ₹ 26.21 crore and ₹ 5.24 crore were due in August 2013, August 2014, August 2015 and August 2016, respectively) but have not been remitted to NHAI as there was a stay on account of arbitration. The Arbitral Tribunal on August 26, 2020 while rejecting the GACEPL's prayer for compensation for breach of State Support Agreement & Concession Agreement by State Government of Haryana, State Government of Punjab and NHAI, vacated the stay granted on payment of Negative Grant and NHAI consequently demanded the payment of negative grant including interest from GACEPL and the Escrow Banker. The claim by NHAI for interest communicated to GACEPL and the Escrow Banker was ₹ 101.34 crore calculated up October 31, 2020, though the interest as computed by GACEPL upto August 25, 2020 is ₹ 60.32 crore (@SBI PLR plus 2%). Escrow Banker based on the demand from NHAI, has remitted ₹ 6.08 crore as per the waterfall mechanism to NHAI and the same is considered by GACEPL as paid under protest. The dissenting opinion of the other Arbitrator also rejected GACEPL's contention on the non-payment of Negative Grant and has concluded that GACEPL shall be bound by the Concession Agreement in relation to payment of Negative Grant.

GACEPL aggrieved by rejection of all claims by majority members had preferred an appeal, in both Punjab and Haryana matters, under Section 34 and Section 9 of the Arbitration Act before Hon'ble Delhi High Court requesting to stay the Majority Award and grant stay on payment of Negative Grant. The Hon'ble Delhi High Court has admitted the application under Section 34 with direction to all parties to file the document before the next date of hearing i.e., February 12, 2021 whereas the application under Section 9 has been dismissed on the ground that the losing party in an Arbitration proceeding cannot seek relief under Section 9 of Arbitration Act. Subsequently, the Division Bench of Hon'ble Delhi High Court also dismissed the aforementioned application under Section 9 on the similar grounds.

During the current year, GACEPL in terms of its communication to NHAI has provided for delay in payment of interest on negative grant w.e.f. August 26, 2020 onwards amounting to ₹ 5.19 crore under prudence, pursuant to the vacation of stay on payment of negative grant vide Arbitral Award dated August 26, 2020. Further, the management is of the opinion that there is no charge of interest in pursuance of stay given by the Arbitral Tribunal for the period to August 26, 2020 and effect, if any will be given on the conclusion of proceedings pending before hon'ble Supreme Court.

On October 30, 2020, GACEPL aggrieved by the dismissal of application by Division Bench as well has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India under Section 9 seeking interim relief on recovery of Negative Grant till the time Section 34 petition is decided by Hon'ble Delhi Court. In this regard, the GACEPL has obtained legal opinion from the legal counsel handling matters, wherein the legal counsel has opined that the GACEPL has a fair chance of getting stay on payment of Negative Grant, considering the Hon'ble Supreme Court in similar matters have granted interim relief to the Petitioners.

Based on legal opinion, GACEPL is of the view that majority Award has not interpreted the relevant clauses of the concession agreement from point of view of intention of the parties and has also ignored the fact that NHAI has also not produced any data to contradict the reason for reduction in traffic in comparison to its Detailed Project Report (DPR). In the opinion of the legal team no effective consultations among the three arbitrators had also lead to a fractured award and that majority award has also ignored the provisions and guidelines of Indian Road Congress which have the force of statutory bindings thereby taking a contrary view as the nature of development carried out by States have altered/ changed the status of roads.

Accordingly, the Management of GACEPL is of the opinion that the matter has not attained the finality and GACEPL has good chances of getting stay on the majority award and expects to win the case in Delhi High Court and to receive the Claims in due course. As per the internal assessment by the management, on the reasonable certainty of inflows of the claims discussed above, GACEPL has considered that there would be no cash outflow related to negative grants or that there will be net cash inflows even if the negative grant out flows are considered and expects realisability of GACEPL's claims in the near future.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future, had determined value in use of GACEPL assets as at March 31, 2021 (i.e. valuation date) which is higher than the carrying value of assets. The management of the Group is confident of receipt of claims for loss due to diversion of traffic/compensation in the appellate proceedings and accordingly is of the opinion that carrying value of carriage ways in GACEPL of ₹ 338.16 crore as at March 31, 2021 is appropriate.

ii. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Holding Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of ₹ 1,349.02 crore as at March 31, 2021. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL had decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed. The project was initially developed from existing 2 lanes to 4 lanes to be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning is not carried out (if so required by NHAI/desired by GHVEPL), concession period will be restricted to 15 years as against 25 years. GHVEPL has been amortising intangible assets over the concession period of 25 years.

Notes to the consolidated financial statements for the year ended March 31, 2021

GHVEPL has recognised a provision of additional concession fees (premium) of ₹ 793.38 crore including interest till March 31, 2021 (March 31, 2020: ₹ 620.31 crore), which is unpaid pending finality of litigation proceedings as detailed below.

The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding GHVEPL's contention that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and GHVEPL is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles. Majority of the Tribunal members have directed NHAI to constitute a committee for determining the claim amount based on data/ records available with GHVEPL and NHAI. The minority member in the Tribunal however was of the opinion that Tribunal should have constituted the Committee instead of directing NHAI, which is against the principal of natural justice. GHVEPL, aggrieved by the findings, has filed applications under Section 9 and 34 of the Arbitration Act, 1996, before Delhi High Court challenging the award on the limited ground of (i) constitution of the committee by NHAI for quantification of compensation and (ii) for interim measures by restraining NHAI from constituting the Committee, demanding premium and taking coercive / precipitate measures under the Concession Agreement. Vide order dated August 4, 2020, the Delhi High Court upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation. The Court has also held that GHVEPL is entitled for compensation due to Change in Law and the application of the NHAI was dismissed. For quantification of claim of GHVEPL, the committee to be appointed by the NHAI has been struck down and in its place the Court has appointed a retired judge of Supreme Court as sole arbitrator to quantify the claims in nine months. Further, the Arbitrator has decided to appoint an Independent Expert for his assistance.

NHAI has challenged the aforesaid Order dated August 4, 2020 before divisional bench of Hon'ble Delhi High Court, wherein the Hon'ble Delhi High Court has clarified that the sole arbitrator shall continue to discharge his duties subject to final outcome of the appeal.

On May 8, 2020 GHVEPL has received a notice from NHAI / Regulator stating that it is satisfied that six-laning is not required for the project highway and four laning is sufficient for operating the project highway restricting the concession period to 15 years pursuant to Clause 3.2.2 of the Concession Agreement dated October 9, 2009. GHVEPL has filed a response with NHAI on May 26, 2020, June 16, 2020, August 31, 2020 and October 19, 2020 seeking the material on record on the basis of which the NHAI has decided that six-laning is not required, since in terms of GHVEPL's assessment, six-laning shall be required considering the current traffic flow on the project highway. NHAI, however vide its letter dated June 24, 2020 and October 15, 2020 has stated that the contention of GHVEPL is unmerited and due reasons have been conveyed, even though no substantial information is provided on the basis of which such decision is taken. In this regard, GHVEPL has obtained a legal opinion from its Counsel handling NHAI matter in Honorable Delhi High Court which has opined that with the majority findings of the Arbitral Award in favour of GHVEPL, issuance of Notice dated May 8, 2020 and letter dated June 24, 2020 / October 15, 2020 by NHAI / Regulator is in bad light and arbitrary. Legal Counsel opined that NHAI being aware of the financial implications of the Notice dated May 8, 2020 trying to somehow avoid quantifying and making any payment of the claim to GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension notice and notices in relation to non-compliance of O & M requirements has, on May 8, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble Delhi High Court, only to make GHVEPL to somehow give up its claims and avoid determination of claims. GHVEPL on October 30, 2020 has issued Notice of Dispute under Article 44.2 read with Clause 44.1.2 of the Concession Agreement to NHAI for amicable settlement as a first step in dispute resolution, which has been declined by NHAI on December 4, 2020. Pursuant to the notice dated April 6, 2021, the Arbitrators have been appointed and the Arbitral Tribunal has held its first hearing setting procedural timelines for hearing the litigation. Legal counsel has opined that GHVEPL has a fair chance of winning the arbitration proceedings and has rightful claim for Change in Law for 25 years concession period.

Further GHVEPL has also internally assessed the average daily traffic for financial year 2024-25, the scheduled six-laning period which indicates that average daily traffic at designated Toll Plaza will exceed the Design Capacity that would require six-laning as per Clause 29.2.3 of the Concession Agreement. In terms of the internal assessment by GHVEPL where in the traffic flows were estimated to increase to the levels which mandates six-laning during the concession period and based on the opinion from the legal Counsel, the management is of the view that the withdrawal of the Six Laning of the project highway without any reasoning is not a tenable action by NHAI / Regulator based on which a notice for invoking Arbitration under clause 44 of the concession agreement has been served upon on April 6, 2021. The legal counsel has opined that GHVEPL is in good position to assert for concession period of 25 years. Accordingly, considering the matter is sub-judice, concession life of 25 years with six laning has been considered for the purposes of the amortisation of Intangibles considering the initiation of Arbitration Proceedings challenging the communication/notice by NHAI / Regulator restricting the period to 15 years with four-laning.

The valuation expert based on the assumptions that it would be receiving the compensation in the future, had determined value in use of GHVEPL assets as at March 31, 2021 (i.e. valuation date) which is higher than the carrying value of assets.

The management of the Group is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons. Accordingly, based on the aforesaid legal opinion, expected future traffic flow over a concession period of 25 years, valuation assessment by an external expert based on expected compensation claim inflows, the management of the Group believes that the carrying value of carriage ways of ₹ 1,923.00 crore of GHVEPL as at March 31, 2021 is appropriate.

iii. GMR Highways Limited, a subsidiary of the Holding Company, received approval of shareholders and creditors and subsequent confirmation from National Company Law Tribunal (NCLT) vide the order dated March 20, 2020 to reduce GMRHL's issued, subscribed and paid-up equity share capital from ₹ 2,052.93 crore (comprising 2,052,929,749 fully paid up equity shares of ₹ 10/- each) to ₹ 775.44 crore, comprising of 775,440,510 fully paid up equity shares of ₹ 10/- each. Such reduction has been given effect by cancelling and extinguishing 62.23% of the total issued, subscribed and paid up equity share capital of GMRHL (the "Capital Reduction"). The shareholders whose share capital has been reduced have been paid a sum of 10 paise per equity share as the consideration.

Notes to the consolidated financial statements for the year ended March 31, 2021

47. Matters related to certain power sector entities:

i. GGAL (earlier GPCL, merged with GGAL with effect from March 31, 2019), a subsidiary of the Holding Company, approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the Power Purchase Agreement ('PPA') and Land Lease Agreement ('LLA') in respect of the dues recoverable from Tamil Nadu Generation and Distribution Corporation Limited ('TAGENDCO') on account of sale of energy including reimbursement towards interest on working capital, Minimum Alternate Tax ('MAT'), rebate, start / stop charges and payment of land lease rentals to TAGENDCO. GGAL received a favorable order from TNERC and in pursuance of the Order, filed its claim on April 30, 2010 amounting to ₹ 481.68 crore.

TAGENDCO filed a petition against TNERC Order in Appellate Tribunal for Electricity ('APTEL'). In terms of an interim Order from APTEL, TAGENDCO deposited ₹ 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GGAL and further directed GGAL to verify and pay counterclaims of TAGENDCO in respect of the benefits earned if any, by GGAL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GGAL had appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA. The Hon'ble Supreme Court vide its Order dated April 24, 2014, has referred the dispute to TNERC for examining the claim of the contesting parties in so far as the quantum of amount is concerned. GGAL and TAGENDCO have filed their respective petitions before TNERC during August 2014. Further, TAGENDCO has filed the petition in the Hon'ble Supreme Court against APTEL order which is pending before the Hon'ble Supreme Court. During the period ended December 31, 2018, GGAL has received an order from TNERC whereby TNERC has upheld the TAGENDCO's claim amounting to ₹ 121.37 crore. GGAL's counter claim of ₹ 191.00 crore under old PPA towards interest on delayed payments, start and stop charges and invoice for nil dispatches and invoice for differential rates for the period from July 2011 to February 2014 has not yet been adjudicated by TNERC. The management has filed an appeal before APTEL and the final outcome is yet to be announced.

GGAL was availing tax holiday under Section 80IA of the Income Tax Act, 1961 ('IT Act') in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GGAL, based on an expert opinion, GGAL offered the claims upto March 31, 2014 as income in its tax returns and claimed the deduction as available under Section 80IA of the IT Act.

In accordance with the above, the amount received towards the above mentioned claims is being disclosed as advance from the customer in the books of account. Further, GGAL has been legally advised that pending adjudication of petition, the entire matter is now sub-judice and has not attained the finality.

Hence, pending acceptance of claims by TAGENDCO and pending adjudication of petition before the Hon'ble Supreme Court, the Group has not recognised the aforesaid claim in the books of account.

ii. GGAL ('the Transferee Company'), a subsidiary of the Holding Company had applied for confirmation / approval of scheme of merger / amalgamation and capital reduction ('the Scheme') with its wholly owned subsidiaries GMR GENCO Assets Limited, GMR Kakinada Energy Private Limited and GMR Coastal Energy Private Limited and partly owned subsidiaries SJK Powergen Limited and GMR Power Corporation Limited (collectively referred to as the 'Transferor Companies'). The appointed date of merger / amalgamation is March 31, 2019. The scheme was filed with the Hon'ble Regional Director, Mumbai (RD). Necessary approvals from shareholders and creditors (vide NOCs) were obtained and submitted with the office of RD. The RD filed its report dated February 20, 2020 with National Company Law Tribunal, Special Bench, Mumbai ('NCLT') and NCLT passed the order approving the scheme on March 13, 2020. Pursuant to the Scheme, financial statements of GGAL have been prepared on merged basis with effect from March 31, 2019 in accordance with the accounting treatment prescribed in the Scheme. Further, due to the effect of this merger, the non-controlling shareholders of GGALs partly owned subsidiaries have been issued shares in GGAL.

48. Matters related to certain other sector entities:

i. The Holding Company had given an interest free loan of ₹ 115.00 crore to GMR Welfare Trust ('GWT' or 'the trust') during the year ended March 31, 2011 for the purpose of employee benefit scheme. The trust had utilised the proceeds of the loan received from the Holding Company primarily in the acquisition of equity shares of Holding Company for ₹ 101.54 crore and equity shares of GAL for ₹ 11.28 crore.

SEBI had issued Circular CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed companies from framing any employee benefit scheme involving acquisition of its own securities from the secondary market. SEBI had issued Circular CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Holding Company submitted the details of GWT to the stock exchanges. SEBI has issued a Notification dated October 28, 2014 notifying "The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" ("SEBI Regulations") whereby the Companies having existing schemes to which these regulations apply are required to comply with these regulations within one year of the effective date of the regulations and the trusts holding shares, for the purposes of implementing general employee benefit schemes, which exceed ten percent of the total value of the assets of the trusts, shall have a period of five years to bring down trusts' holding in such shares to the permissible limits. SEBI published Frequently Asked Question ("FAQ") on SEBI Regulations and clarified that appropriation of shares towards ESPS/ESOP/SAR/General Employee Benefits Scheme/Retirement Benefit Schemes by October 27, 2015 would be considered as compliance with proviso to regulation 3(12) of the SEBI Regulations. The Company may appropriate towards individual employees or sell in the market during next one year so that no unappropriated inventory remains thereafter. The shareholders have approved the revised terms and conditions of the scheme by passing a special resolution in the Annual General Meeting of the Holding Company held on September 23, 2015 and that the Holding Company will ensure compliance with other applicable provisions of the new regulations within the permissible time period.

Notes to the consolidated financial statements for the year ended March 31, 2021

During the year ended March 31, 2020, GWT has fully repaid the outstanding balance of the aforementioned loan amounting ₹ 115.00 crore by obtaining funds from GMR Bannerghatta Properties Private Limited (a promoter group entity) and also transferred the sharers of the GAL to the Holding Company pursuant to share purchase agreement. Hence, the Group has not consolidated the financials of GWT in its consolidated financial statement as on March 31, 2020 and thereafter.

ii. The Group has signed definitive Securities sale and purchase agreement ('SSPA') on September 24, 2020 for the sale of entire 51% equity stake owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") in Kakinada SEZ Limited ("KSEZ") to Aurobindo Realty and Infrastructure Private Limited ("ARIPL"). As part of the proposed transfer of stake of KSEZ ("Proposed Sale"), the entire equity stake of Kakinada Gateway Port Limited ("KGPL") held by KSEZ would also be transferred to ARIPL.

The Group has also entered Amendment Agreement to Securities Sale and Purchase Agreement (Amendment to SSPA). Pursuant to the same, only 74% equity stake of KGPL held by KSEZ would be transferred to ARIPL and balance 26% equity stake of KGPL would be held by GSPHL. In accordance with the Amendment to SSPA, the revised total consideration for the sale of equity stake as well as the inter corporate deposits given to KSEZ by the Holding Company and its subsidiaries is ₹ 2,719.21 crore. Out of the revised total consideration, ₹ 1,692.03 crore would be received upfront on or before the closing date and balance ₹ 1,027.18 crore would be received in next 2 to 3 years which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2022 and March 31, 2023.

The said transaction is subject to conditions precedent as specified in SSPA. Pursuant to the satisfaction of such conditions precedent, except for ₹ 478.00 crore, ARIPL has released the upfront consideration before March 31, 2021 which has been utilized for payment to the lenders of Holding Company and its subsidiaries. Consequent to the aforementioned, the Group has accounted for the consideration pursuant to the SSPA during the year ended March 31, 2021 and has recognized loss of ₹ 137.99 crore as exceptional loss in relation to same considering the fair value determined by an external valuation expert.

The Group expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, establishment of a large pharmaceutical unit, Commercial Sea port, establishment of various port based industries, manufacturing industries, development of new International Airport in Bhogapuram. Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency, management of the Group is confident of achieving the aforementioned milestones and is of the view that the carrying value of the amount recoverable (disclosed under other financial assets) as at March 31, 2021 is appropriate.

49. Related party transactions

a. Names of the related parties and description of relationship:

Sl. No.	Relationship	Name of the parties
(i)	Holding company	GMR Enterprises Private Limited (GEPL)
(ii)	Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates	Airport Authority of India (AAI)
		Antariksh Softtech Private Limited (till June 26, 2019)
		Arcelormittal India Limited (AIL)
		Bharat Petroleum Corporation Limited (BPCL)
		Bird World Wide Flight Services India Private Limited (BWWFSIPL)
		Celebi Ground Handling Delhi Private Limited (CELEBI GHDPL)
		Celebi Hava Servisis A.S. (CHSAS)
		Fraport AG Franfurt Airport Services Worldwide (FAG)
		Government of Telangana (GoT)
		Indian Oil Corporation Limited (IOCL)
		Kakinada Infrastructure Holding Private Limited (KIHPL) (till March 30, 2021)
		Lanco Group Limited (LGL)
		Limak Insaat San. Ve Ticaret A.S. (LISVT)
		Laqshya Media Limited (LMPL)
		Malaysia Airport Holding Berhad (MAHB)
		Malaysia Airports Consultancy Services SDN Bhd (MACS)
		MAHB (Mauritius) Private Limited (MAHB Mauritius)
		Megawide Construction Corporation (MCC)

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Relationship	Name of the parties
		Menzies Aviation India Private Limited (MAIPL)
		Menzies Aviation PLC (UK) (MAPUK)
		NAPC Limited (NAPC)
		Navabharat Power Private Limited (NBPPL)
		Odeon Limited (OL)
		Oriental Structures Engineers Private Limited (OSEPL) (till June 01, 2019)
		Oriental Tollways Private Limited (OTPL) (till June 01, 2019)
		PT Dian Swastatika Sentosa Tbk (PT Dian)
		PT Sinar Mas Cakrawala
		Punj Lloyd Limited
		Reliance Industries Limited (RIL)
		Sterlite Energy Limited (SEL)
		Power And Energy International (Mauritius) Limited
		Tenaga Parking Services (India) Private Limited (TPSIPL)
		Times Innovative Media Limited (TIML)
		Travel Foods Services (Delhi) Private Limited (TFSDPL)
	Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates	Tottenham Finance Limited, Mauritius (TFL)
		GMR Infra Services Limited (GISL) (w.e.f February 25, 2020)
		Aeroports DE Paris S.A. (ADP) (w.e.f July 7, 2020)
		Veda Infra-Projects (India) Private Limited (VIHIPL)
		Welfare Trust for GMR Group Employees (WTGGE)
		ESR Hyderabad 1 PTE ltd (ESR)(w.e.f April 16, ,2020)
		Nepal Electric Authority (NEA)
		United Travel Retail Partners Inc. (UTRP)
		Select Service Partner Philippines Corporation (SSPPC)
		TNB Repair & Maintenance sdn. Bhd (TNB)
		Yalvorin Limited (YL)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence (where transactions have taken place)	GMR Varalakshmi Foundation (GVF)
		Sri Varalakshmi Jute Twine Mills Private Limited
		GMR Family Fund Trust (GFFT)
		GEOKNO India Private Limited (GEOKNO)
		Kakinada Refinery & Petrochemicals Private Limited (KRPPL)
		GMR Institute of Technology (GIT)
		GMR School of Business (GSB)
		GMR Varalakshmi Care Hospital (GVCH)
		Jetsetgo Aviation Services Private Limited (JASPL)
		Jetsetgo Aviation Services Private Limited (JASPL)
(iv)	Fellow subsidiary companies (where transactions have taken place)	GMR Holding (Mauritius) Limited (GHML)
		GMR Holdings (Overseas) Limited (GHOL)
		JSW GMR Cricket Private Limited (JGPL)
		Kothavalasa Infraventures Private Limited (KIPL)
		Grandhi Enterprises Private Limited (GREPL)
(v)	Joint ventures / associates / joint operations	GMR Energy Limited (GEL)
		GMR Vemagiri Power Generation Limited (GVPGL)

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Relationship	Name of the parties
		GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
		GMR Kamalanga Energy Limited (GKEL)
		GMR Energy (Mauritius) Limited (GEML)
		GMR Lion Energy Limited (GLEL)
		GMR Upper Karnali Hydropower Limited (GUKPL)
		GMR Consulting Services Limited (GCSPL)
		GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
		Rampia Coal Mine and Energy Private Limited (RCMEPL)
		GMR Rajahmundry Energy Limited (GREL)
		GMR Warora Energy Limited (GWEL)
		GMR Chhattisgarh Energy Limited (GCEL) (till June 29, 2019)[1]
		GMR Maharashtra Energy Limited (GMAEL)
		GMR Bundelkhand Energy Private Limited (GBEPL)
		GMR Rajam Solar Power Private Limited (GRSPPL)
		GMR Gujarat Solar Power Limited (GGSPPL)
		Karnali Transmission Company Private Limited (KTCPL)
	Joint ventures / associates / joint operations	GMR Indo-Nepal Energy Links Limited (GINELL)
		GMR Indo-Nepal Power Corridors Limited (GINPCL)
		PT Golden Energy Mines Tbk (PTGEMS)
		PT Roundhill Capital Indonesia (RCI)
		PT Borneo Indobara (BIB)
		PT Kuansing Inti Makmur (KIM)
		PT Karya Cemerlang Persada (KCP)
		PT Bungo Bara Utama (BBU)
		PT Bara Harmonis Batang Asam (BHBA)
		GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL) (till June 01, 2019)[1]
		PT Berkat Nusantara Permai (BNP)
		Marsyangdi Transmission Company Private Limited (MTCPL) (till May 26, 2019)[2]
		WAISL Limted (WAISL) (till June 26, 2019)[2]
		GMR Mining & Energy Private Limited (GMEL) (Till December 26, 2019)[3]
		PT Tanjung Belit Bara Utama (TBBU)
		PT Trisula Kencana Sakti (TKS)
		PT Era Mitra Selaras (EMS)
		PT Wahana Rimba (WRL)
		PT Berkat Satria Abadi (BSA)
		GEMS Trading Resources Pte Limited (GEMSCR)
		PT Karya Mining Solution (KMS)
		PT Kuansing Inti Sejahtera (KIS)
		PT Bungo Bara Makmur (BBM)
		PT GEMS Energy Indonesia (PTGEI)
		PT Dwikarya Sejati Utma (PTDSU)
		PT Duta Sarana Internusa (PTDSI)

Notes to the consolidated financial statements for the year ended March 31, 2021

Sl. No.	Relationship	Name of the parties
		PT Unsoco (Unsoco)
		PT Barasentosa Lestari (BSL)
		Laqshya Hyderabad Airport Media Private Limited (Laqshya)
		Delhi Aviation Services Private Limited (DASPL)
		Travel Food Services (Delhi Terminal 3) Private Limited (TFS)
		Delhi Duty Free Services Private Limited (DDFS)
		Delhi Aviation Fuel Facility Private Limited (DAFF)
		Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)
		TIM Delhi Airport Advertising Private Limited (TIM)
		GMR Megawide Cebu Airport Corporation (GMCAC)
		Megawide GISPL Construction Joint Venture (MGCJV)
		Megawide GISPL Construction Joint Venture Inc. (MGCJV INC.)
		Limak GMR Construction JV (CJV)
		GMR Tenaga Operations and Maintenance Private Limited (GTOMPL)
	Joint ventures / associates / joint operations	Mactan Travel Retail Group Corp. (MTRGC)
		SSP-Mactan Cebu Corporation (SMCC)
		DIGI Yatra Private Limited (DYPL)
		International Airport Of Heraklion, Crete SA (Crete)
		GMR Logistics Park Private Limited (GLPPL) (w.e.f April 16, ,2020)
		GIL SIL JV
(vi)	Key management personnel and their relatives (where transaction has taken place)	Mr. G.M. Rao (Non-executive Chairman)
		Mrs. G Varalakshmi (Relative)
		Mr. G.B.S. Raju (Director)
		Mr. Grandhi Kiran Kumar (Managing Director & CEO)
		Mr. Srinivas Bommidala (Director)
		Mrs. B. Ramadevi (Relative)
		Mr. S Rajagopal (Independent Director)
		Mrs Grandhi Satyavathi Smitha (Relative)
		Mr. B.V. Nageswara Rao (Director)
		Mr. Venkat Ramana Tangirala (Company Secretary)
		Mr. R S S L N Bhaskarudu (Independent Director)
		Mr. N C Sarabeswaran (Independent Director)
		Mr. S Sandilya (Independent Director)
		Mr. C.R. Muralidharan (Independent Director)[4]
		Mrs. V. Siva Kameswari (Independent Director)
		Mr. Madhva Bhimacharya Terdal (Executive Director- Strategic Initiatives) (w.e.f August 8, 2019)
		Mr. Suresh Lilaram Narang (Independent Director) (Appointed w.e.f April 22, 2020)
		Mr. Saurabh Chawla (Group Chief Financial Officer)

Notes :

1. Ceased to be an associate during the year ended March 31, 2020.
2. Ceased to be a joint venture during the year ended March 31, 2020.
3. Ceased to be an associate and became a subsidiary during the year ended March 31, 2020.
4. Ceased to be independent director w.e.f. October 8, 2020.

Notes to the consolidated financial statements for the year ended March 31, 2021

b. Transactions during the year

(₹ in crore)

Particulars	Year ended	Holding Company	Joint Ventures	Associates	Fellow subsidiaries	Enterprise owned or significantly influenced by key managerial personnel or their relatives	Shareholders having substantial interest / enterprises having significant influence over the subsidiaries / joint ventures / associates	Key managerial personnel or its relative
Revenue from operations								
	2021	-	362.59	344.50	-	1.66	72.35	-
	2020	-	820.40	450.11	-	6.63	69.68	-
Other Income								
	2021	-	9.47	0.49	0.11	0.26	-	-
	2020	-	31.90	-	-	0.02	15.36	-
Finance income								
	2021	36.51	107.31	10.35	-	0.04	-	-
	2020	5.03	74.33	9.54	-	0.04	-	-
Dividend income received from								
	2021	-	284.20	19.61	-	-	-	-
	2020	-	113.89	9.50	-	-	-	-
Airport service charges / operator fees								
	2021	-	-	-	-	-	108.21	-
	2020	-	-	-	-	-	103.80	-
Revenue share paid / payable to concessionaire grantors								
	2021	-	-	-	-	-	338.12	-
	2020	-	-	-	-	-	1,848.67	-
Purchase of traded goods (Gross) including open access charges paid / recovered net.								
	2021	-	535.52	-	-	-	-	-
	2020	-	172.45	0.72	-	-	-	-
Lease expenses								
	2021	-	0.16	-	1.85	0.03	-	2.95
	2020	-	-	-	-	0.15	-	0.27
Issue of CCPS								
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	45.48	-
Provision against advance								
	2021	-	-	-	-	-	446.21	-
	2020	-	-	-	-	-	-	-
Managerial remuneration								
	2021	-	-	-	-	-	-	23.14
	2020	-	-	-	-	-	-	27.83
Directors' sitting fees								
	2021	-	-	-	-	-	-	0.85
	2020	-	-	-	-	-	-	0.94

Notes to the consolidated financial statements for the year ended March 31, 2021

b. Transactions during the year

(₹ in crore)

Particulars	Year ended	Holding Company	Joint Ventures	Associates	Fellow subsidiaries	Enterprise owned or significantly influenced by key managerial personnel or their relatives	Shareholders having substantial interest / enterprises having significant influence over the subsidiaries / joint ventures / associates	Key managerial personnel or its relative
Logo fees								
	2021	4.17	-	-	-	-	-	-
	2020	3.27	-	-	-	-	-	-
Sub-Contracting expenses								
	2021	-	-	-	-	-	2.45	-
	2020	-	-	-	-	-	5.98	-
Fee paid for services received								
	2021	-	0.13	-	-	-	0.01	-
	2020	-	-	-	-	-	-	-
Legal and professional fees								
	2021	-	0.05	-	-	3.26	3.88	-
	2020	-	0.17	-	-	7.97	1.80	-
Other expenses								
	2021	-	117.57	0.00	-	2.03	1.39	0.33
	2020	-	51.98	0.02	0.06	0.52	7.33	1.05
Marketing fund billed								
	2021	-	2.66	0.48	-	-	-	-
	2020	-	14.03	1.34	-	-	-	-
Marketing fund utilised								
	2021	-	4.21	0.29	-	-	-	-
	2020	-	7.17	0.30	-	-	-	-
Reimbursement of expenses incurred on behalf of the Group								
	2021	-	0.31	0.64	0.02	-	-	-
	2020	-	0.23	0.45	-	-	-	-
Expenses incurred by the Group on behalf of / expenses recovered by the Group								
	2021	-	32.42	22.08	-	0.04	18.34	-
	2020	-	42.27	28.02	-	0.07	26.42	-
Provision for doubtful loans credit impaired								
	2021	-	-	-	-	-	200.00	-
	2020	-	20.49	-	-	-	-	-
Donation/ CSR expenditure								
	2021	-	-	-	-	13.90	-	-
	2020	-	-	-	-	19.19	-	-

Notes to the consolidated financial statements for the year ended March 31, 2021

b. Transactions during the year

(₹ in crore)

Particulars	Year ended	Holding Company	Joint Ventures	Associates	Fellow subsidiaries	Enterprise owned or significantly influenced by key managerial personnel or their relatives	Shareholders having substantial interest / enterprises having significant influence over the subsidiaries / joint ventures / associates	Key managerial personnel or its relative
Finance cost								
	2021	-	24.14	12.61	-	0.29	-	-
	2020	7.05	40.61	6.27	0.15	0.56	-	-
Depreciation of ROU								
	2021	-	-	-	1.64	-	-	2.29
	2020	-	-	-	1.64	0.49	-	2.29
Finance cost lease liability								
	2021	-	-	-	0.10	0.71	8.52	0.27
	2020	-	-	-	0.26	0.11	8.52	0.36
Corporate guarantees/ comfort letters extinguished on behalf of								
	2021	-	-	-	-	1.30	-	-
	2020	-	1,412.21	3,156.75	-	-	-	-
Corporate guarantees/ comfort letters taken by the Group on behalf of its bank against loan taken								
	2021	-	298.47	-	-	-	-	-
	2020	-	225.60	-	-	-	-	-
Investment in share/debenture of								
	2021	-	30.38	-	-	-	-	-
	2020	-	260.52	-	-	-	-	-
Sale of investment in equity share of								
	2021	-	-	-	-	-	3,565.00	-
	2020	-	1.30	-	-	-	-	-
Issue of equity shares by subsidiary								
	2021	-	-	-	-	-	1,000.00	-
	2020	-	-	-	-	-	-	-
Loans / advances repaid by								
	2021	1,035.09	121.56	2.10	3.46	4.61	-	-
	2020	190.00	71.15	0.36	-	-	6.80	-
Loans / advances given to								
	2021	556.49	818.86	2.10	418.10	-	-	-
	2020	689.29	344.63	-	-	-	208.25	-
Borrowings taken during the year								
	2021	-	-	35.00	14.35	-	-	-
	2020	456.38	-	59.00	-	0.53	-	-
Borrowings repaid during the year								
	2021	-	-	-	14.35	4.64	-	-
	2020	525.18	66.28	-	96.36	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2021

b. Transactions during the year

(₹ in crore)

Particulars	Year ended	Holding Company	Joint Ventures	Associates	Fellow subsidiaries	Enterprise owned or significantly influenced by key managerial personnel or their relatives	Shareholders having substantial interest / enterprises having significant influence over the subsidiaries / joint ventures / associates	Key managerial personnel or its relative
Security deposits received from concessionaires / customers								
	2021	-	-	19.09	-	-	-	-
	2020	-	-	7.22	-	-	-	-
Security deposits repaid to concessionaires / customers								
	2021	-	53.79	-	-	-	-	-
	2020	-	-	-	-	-	-	-
Purchase of CCPS								
	2021	-	-	-	-	-	110.05	-
	2020	-	-	-	-	-	-	-
Capital advances given/(received back)								
	2021	-	56.51	-	-	-	-	-
	2020	(50.00)	-	-	-	-	158.24	-
Equity dividend paid by subsidiaries / joint ventures / associates to								
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	34.97	-
Capitalised in capital work in progress								
	2021	-	-	-	-	-	-	-
	2020	-	-	0.03	-	-	0.02	-

Notes to the consolidated financial statements for the year ended March 31, 2021

C. Balances outstanding as at:

(₹ in crore)

Particulars	Year ended	Holding Company	Joint Venture	Associates	Fellow subsidiaries	Enterprise owned or significantly influenced by key managerial personnel or their relatives	Shareholders having substantial interest / enterprises having significant influence over the subsidiaries / joint ventures / associates	Key managerial personnel or its relative
Right of Use								
	2021	-	-	-	0.14	-	-	0.19
	2020	-	-	-	1.78	-	-	2.48
Investment in Debentures/ Preference Shares								
	2021	-	16.35	-	-	-	117.00	-
	2020	-	-	-	-	-	142.00	-
Capital advances								
	2021	-	82.01	-	-	-	327.59	-
	2020	-	-	-	-	-	364.93	-
Advances other than capital advances								
	2021	-	-	-	-	0.18	-	-
	2020	-	-	-	-	0.30	-	-
Security deposits receivable								
	2021	-	-	-	1.23	4.38	-	0.03
	2020	-	-	-	1.12	1.97	-	0.03
Trade receivable								
	2021	0.01	73.20	5.62	-	3.66	3.46	-
	2020	0.01	115.69	6.56	-	2.43	5.09	-
Provision for doubtful loans credit impaired								
	2021	-	233.00	-	-	-	200.00	-
	2020	-	233.00	-	-	-	-	-
Non trade receivable								
	2021	-	20.32	2.40	-	0.04	488.61	-
	2020	-	1.92	0.52	-	0.12	4.35	-
Unbilled revenue								
	2021	-	20.36	38.76	-	-	1.12	-
	2020	-	40.27	38.75	-	-	1.93	-
Other receivables								
	2021	-	29.41	0.42	3.91	-	-	-
	2020	-	0.47	0.20	-	-	-	-
Provision against advance								
	2021	-	-	-	-	-	446.21	-
	2020	-	-	-	-	-	-	-
Loans								
	2021	23.39	1,238.22	-	418.10	-	8.25	-
	2020	501.99	540.91	-	3.46	4.61	208.25	-
Interest accrued on loans given								
	2021	19.42	123.09	-	-	-	-	-
	2020	4.17	65.98	-	-	-	0.64	-

Notes to the consolidated financial statements for the year ended March 31, 2021

(₹ in crore)

Particulars	Year ended	Holding Company	Joint Venture	Associates	Fellow subsidiaries	Enterprise owned or significantly influenced by key managerial personnel or their relatives	Shareholders having substantial interest / enterprises having significant influence over the subsidiaries / joint ventures / associates	Key managerial personnel or its relative
Trade payables								
	2021	5.11	339.78	3.07	0.14	2.22	67.36	0.03
	2020	2.38	214.30	3.19	0.27	0.30	156.16	0.05
Security deposits from concessionaires / customers at amortised cost								
	2021	-	215.80	68.64	-	0.11	-	-
	2020	-	207.22	54.99	-	2.47	-	-
Unearned / deferred revenue								
	2021	-	124.68	120.25	-	-	-	-
	2020	-	179.38	118.83	-	0.04	-	-
Non trade payables / other liabilities								
	2021	1.10	28.45	0.65	0.56	1.27	528.00	1.75
	2020	2.07	1.14	-	-	0.66	189.88	-
Provision for loss in an associate								
	2021	-	-	422.86	-	-	-	-
	2020	-	-	339.26	-	-	-	-
Advance from customers								
	2021	-	9.21	0.00	-	-	-	-
	2020	-	28.25	5.63	-	-	-	-
Accrued interest on borrowings								
	2021	-	7.75	0.35	-	-	-	-
	2020	-	6.29	-	-	0.56	-	-
Borrowings								
	2021	-	16.20	94.00	-	-	315.05	-
	2020	-	16.20	59.00	-	4.64	315.05	-
Lease Liability - Non current								
	2021	-	-	-	0.15	-	-	-
	2020	-	-	-	1.84	-	-	0.78
Lease Liability - Current								
	2021	-	-	-	-	4.23	76.98	0.20
	2020	-	-	-	-	0.81	74.26	2.17
Liability for CCPS								
	2021	-	6.41	-	-	-	-	-
	2020	-	5.79	-	-	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2021

Outstanding corporate guarantees availed from								
	2021	-	4,105.78	2,353.20	-	-	-	-
	2020	-	4,108.75	2,353.20	-	-	-	-
Outstanding bank guarantees given on behalf of								
	2021	-	382.00	-	-	-	-	-
	2020	-	-	-	-	1.30	-	-

Notes :

1. The Group has provided securities by way of pledge of investments for loans taken by certain companies.
2. Certain Key management personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, GEPL and certain fellow subsidiaries have pledged certain shares held in the Company as security towards the borrowings of the Group
3. Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Group as a whole.
4. The Group has entered into sub-contract agreements with unincorporated joint ventures formed by the Group and other joint venturer under joint operation arrangements. Such joint ventures are rendering services ultimately to an unrelated party. Accordingly, the transactions entered on account of such sub-contract arrangement with the unincorporated joint ventures have not been disclosed above.
5. Refer note 8a and 8b for investment in joint venture and associates.
6. In the opinion of the management, the transactions reported herein are on arm's length basis.

50. Segment information

a) Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment, resource allocation and for which information is available discretely. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

b) The segment reporting of the Group has been prepared in accordance with Ind AS 108 'Operating Segments'.

c) For the purpose of reporting, business segments are primary segments and the geographical segments are secondary segments.

d) The reportable segments of the Group comprise of the following:

Segment	Description of activity
Airports	Development and operation of airports
Power	Generation of power and provision of related services and exploration and mining activities
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

e) Geographical segments are categorised as ‘India’ and ‘Outside India’ and are based on the domicile of the customers.

Notes to the consolidated financial statements for the year ended March 31, 2021

Segment Reporting

(₹ in crore)

Particulars	Airports		Power		Roads		EPC		Others		Inter Segment and Inter Operations		Unallocated		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue																
Revenue from operations	3,404.46	6,131.49	1,023.40	777.35	496.87	585.20	1,081.69	859.10	222.96	202.40	-	-	-	-	6,229.38	8,555.54
Inter Segment Revenue	64.99	59.38	-	24.05	-	-	-	1.56	226.20	239.30	(291.19)	(324.29)	-	-	-	-
Total Revenue	**3,469.45**	**6,190.87**	**1,023.40**	**801.40**	**496.87**	**585.20**	**1,081.69**	**860.66**	**449.16**	**441.70**	**(291.19)**	**(324.29)**	**-**	**-**	**6,229.38**	**8,555.54**
Segment result before share of (loss)/ profit of investments accounted for using equity method, exceptional items & tax	(1,291.67)	538.88	42.82	(5.03)	152.65	229.12	89.33	132.33	157.83	(72.92)	-	-	-	-	(849.04)	822.38
Share of (loss)/ profit of investments accounted for using equity method	(73.81)	157.01	(288.00)	(481.73)	-	-	16.12	33.98	-	2.41	-	-	-	-	(345.69)	(288.33)
Exceptional items	-	-	(406.97)	(680.91)	-	-	-	-	(473.60)	-	-	-	-	-	(880.57)	(680.91)
Segment result after share of (loss)/ profit of investments accounted for using equity method, exceptional items & tax	(1,365.48)	695.89	(652.15)	(1,167.67)	152.65	229.12	105.45	166.31	(315.77)	(70.51)	-	-	-	-	(2,075.30)	(146.86)
Unallocated income/ expense																
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	(1,748.14)	(2,206.99)	(1,748.14)	(2,206.99)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	133.26	70.44	133.26	70.44
Loss before tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,614.88)**	**(2,136.55)**	**(3,690.18)**	**(2,283.41)**
Tax credit on continuing operations	-	-	-	-	-	-	-	-	-	-	-	-	262.43	84.92	262.43	84.92
Loss from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.02)	(3.70)
Loss after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,352.45)**	**(2,051.63)**	**(3,427.77)**	**(2,202.19)**
Segment Assets	**32,899.20**	**27,683.46**	**6,091.88**	**6,583.76**	**3,840.29**	**3,586.77**	**1,253.02**	**1,338.08**	**2,471.26**	**4,712.53**	**-**	**-**	**-**	**-**	**46,555.65**	**43,904.60**
Loans - current	-	-	-	-	-	-	-	-	-	-	-	-	676.22	887.25	676.22	887.25
Loans - non current	-	-	-	-	-	-	-	-	-	-	-	-	1,094.86	421.10	1,094.86	421.10
Interest accrued on fixed deposits	-	-	-	-	-	-	-	-	-	-	-	-	3.05	5.09	3.05	5.09
Interest accrued on long term investments	-	-	-	-	-	-	-	-	-	-	-	-	129.62	26.84	129.62	26.84
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	168.08	289.79	168.08	289.79
Deferred tax assets (net)	-	-	-	-	-	-	-	-	-	-	-	-	821.83	654.78	821.83	654.78
Income tax assets (net)	-	-	-	-	-	-	-	-	-	-	-	-	196.61	275.62	196.61	275.62
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	314.35	61.73	314.35	61.73
Total Assets	**32,899.20**	**27,683.46**	**6,091.88**	**6,583.76**	**3,840.29**	**3,586.77**	**1,253.02**	**1,338.08**	**2,471.26**	**4,712.53**	**-**	**-**	**3,404.62**	**2,622.20**	**49,960.27**	**46,526.80**

Notes to the consolidated financial statements for the year ended March 31, 2021

Particulars	Airports		Power		Roads		EPC		Others		Inter Segment and Inter Operations		Unallocated		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Segment Liabilities	**29,376.22**	**24,189.03**	**2,660.97**	**2,563.23**	**1,250.41**	**1,042.27**	**627.32**	**691.94**	**377.06**	**335.74**	**-**	**-**	**-**	**-**	**34,291.98**	**28,822.21**
Borrowings - non current	-	-	-	-	-	-	-	-	-	-	-	-	10,175.37	11,432.76	10,175.37	11,432.76
Current matutities of long term borrowings	-	-	-	-	-	-	-	-	-	-	-	-	2,367.19	3,253.24	2,367.19	3,253.24
Borrowings - current	-	-	-	-	-	-	-	-	-	-	-	-	846.54	1,610.95	846.54	1,610.95
Interest payable	-	-	-	-	-	-	-	-	-	-	-	-	728.40	798.25	728.40	798.25
Liabilities for current tax (net)	-	-	-	-	-	-	-	-	-	-	-	-	41.23	41.71	41.23	41.71
Deferred tax liabilities (net)	-	-	-	-	-	-	-	-	-	-	-	-	117.13	225.04	117.13	225.04
Financial guarantee contracts	-	-	-	-	-	-	-	-	-	-	-	-	51.56	55.25	51.56	55.25
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	22.31	71.50	22.31	71.50
Total Liabilities	**29,376.22**	**24,189.03**	**2,660.97**	**2,563.23**	**1,250.41**	**1,042.27**	**627.32**	**691.94**	**377.06**	**335.74**	**-**	**-**	**14,349.73**	**17,488.70**	**48,641.71**	**46,310.91**
Other disclosures:																
Investments accounted for using equity method	1,279.40	1,309.71	5,088.02	5,646.42	-	-	32.91	56.62	-	-	-	-	-	-	6,400.33	7,012.75
Depreciation and amortisation of continued operations	882.79	872.93	3.61	3.60	79.40	107.11	20.35	22.25	18.39	58.36	-	-	-	-	1,004.54	1,064.25
Material non cash expenses including impairment, other than depreciation and amortisation	551.10	21.37	433.80	682.37	0.28	0.84	1.47	0.02	526.96	5.38	-	-	-	-	1,513.61	709.98

Adjustments and eliminations

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are managed on a group basis.

(₹ in crore)

Particulars	Revenue from external customers*		Non-current operating assets**	
	Mar 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	5,828.15	8,046.83	19,382.51	19,977.30
Outside India	401.23	508.71	11.71	11.67
Total	**6,229.38**	**8,555.54**	**19,394.22**	**19,988.97**

* There is no single external customer which constitutes 10% of total revenue from external customer.

**Non-current assets for this purpose consist of property, plant and equipment, right of use assets, investment properties and intangible assets, capital work in progress, goodwill and intangible under development.

Notes to the consolidated financial statements for the year ended March 31, 2021

51. Hedging activities and derivatives

(a) Derivatives not designated as hedging instruments

The Group uses principal and interest rate swaps, cross currency swaps and call spread options to manage some of its transaction exposures. These derivative instruments are not designated as cash flow/ fair value hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(₹ in crore)

Particulars	March 31, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Call spread option [1]	-	-	274.35	-
Total	**-**	**-**	**274.35**	**-**
Classified as :				
Non- current	-	-	274.35	-
Current	-	-	-	-

1. As at March 31, 2020 for call spread options of USD 208.75 million, the USD spot rate is above the USD call option strike price. Accordingly, foreign exchange gain of ₹ 134.29 crore has been adjusted with fixed assets.

   As at March 31, 2020 for call spread options of USD 80.00 million, the USD spot rate is above the USD call option strike price. Accordingly, foreign exchange gain of ₹ 51.47 crore has been adjusted with fixed assets.

   As at March 31, 2020 mark-to-market loss amounting to ₹ 10.74 crore on the above call spread option of USD 288.75 million USD has been adjusted with the fixed assets in addition to the foreign exchange loss of ₹ 185.76 crore taken to fixed assets on the underlying loans .

   Further as at March 31, 2021 with respect to call spread option no adjustment has been made in fixed asset for exchange gain/mark to market margin.

   Refer note 3(2)(b)

(b) Derivatives designated as hedging instruments

(₹ in crore)

Particulars	March 31, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Call spread options & coupon only swap[1]	872.41	-	734.69	-
Cross currency swap, coupon only swap & call spread options[2]	622.18	-	865.00	-
Total	**1,494.59**	**-**	**1,599.69**	**-**
Classified as :				
Non- current	1,255.97	-	1,599.69	-
Current	238.62	-	-	-

1. DIAL had entered into Call spread Option with various banks for hedging the repayment of 6.125% Senior secured notes (2022) of USD 288.75 million, 6.125% Senior secured notes (2026) of USD 522.60 million which are repayable in February 2022 and October 2026 respectively. Also DIAL has entered into Call spread Option with bank for hedging the repayment of 6.45% Senior secured notes (2029) for USD 500 million borrowings which is repayable in June 2029.

   During the previous year, DIAL has also entered into Coupon only hedge and Call Spread option with bank for hedging the payment of interest liability on 6.45% Senior secured notes (2029) for USD 150 million and 6.125% Senior secured notes (2022) for USD 288.75 million borrowings respectively.

   As at March 31, 2021, the USD spot rate is above the USD call option strike price for all hedge options of USD 1,311.35 million (March 31, 2020 USD 1,022.60 million). Accordingly, an amount of ₹ 335.35 crore (March 31, 2020: ₹ 620.79 crore) has been released from cash flow hedge reserve to consolidated statement of profit and loss to neutralize the impact of foreign exchange gain/(loss) included in consolidated statement of profit and loss.

Notes to the consolidated financial statements for the year ended March 31, 2021

2. GHIAL had entered into Cross Currency Swap with various banks in order to hedge principal portion and to protect interest component of 4.25% senior secured notes of USD 350.00 million which is repayable in October 2027, with interest payable on semi-annually basis. Further GHIAL had also entered into Call Spread arrangements in order to hedge principal portion of 5.375% senior secured notes for USD 300 million which is repayable in April 2024 and Coupon Only Swap to hedge the payment of interest liability on semi-annually basis.

   During the year, GHIAL has also entered into Call Spread arrangements in order to hedge principal portion of 4.75% senior secured notes for USD 300 million which is repayable in February 2026 and Coupon Only Swap to hedge the payment of interest liability on semi-annually basis.

   As at March 31, 2021, the USD spot rate is above the USD derivative instruments strike price for all hedge options of USD 950.00 million (March 31, 2020 USD 650.00 million). Accordingly, an amount of ₹ 161.08 crore (March 31, 2020: ₹ 430.65 crore) has been released from cash flow hedge reserve to consolidated statement of profit and loss to neutralize the impact of foreign exchange gain/(loss) included in consolidated statement of profit and loss.

52. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the consolidated financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020 (excluding those pertaining to discontinued operations. Refer note 36)

As at March 31, 2021 (₹ in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments through consolidated statement of other comprehensive Income	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets						
(i) Investments (other than investments accounted for using equity method)	1,841.45	-	-	1,432.08	3,273.53	3,273.53
(ii) Loans	-	-	-	2,242.14	2,242.14	2,242.14
(iii) Trade receivables	-	-	-	1,293.08	1,293.08	1,293.08
(iv) Cash and cash equivalents	-	-	-	4,299.60	4,299.60	4,299.60
(v) Bank balances other than cash and cash equivalents	-	-	-	2,178.17	2,178.17	2,178.17
(vi) Derivative instruments	-	1,494.59	-	-	1,494.59	1,494.59
(vii) Other financial assets	-	-	-	3,974.41	3,974.41	3,974.41
Total	**1,841.45**	**1,494.59**	**-**	**15,419.48**	**18,755.52**	**18,755.52**
Financial liabilities						
(i) Borrowings	-	-	-	36,742.18	36,742.18	36,742.18
(ii) Trade payables	-	-	-	2,459.58	2,459.58	2,459.58
(iii) Other financial liabilities	-	-	-	5,010.50	5,010.50	5,010.50
(iv) Lease liabilities	-	-	-	122.25	122.25	122.25
(v) Financial guarantee contracts	-	-	-	51.56	51.56	51.56
Total	**-**	**-**	**-**	**44,386.07**	**44,386.07**	**44,386.07**

Notes to the consolidated financial statements for the year ended March 31, 2021

As at March 31, 2020 (₹ in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments through consolidated statement of other comprehensive Income	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets						
(i) Investments (other than investments accounted for using equity method)	1,134.05	-	-	1,972.46	3,106.51	3,106.51
(ii) Loans	-	-	-	1,364.71	1,364.71	1,364.71
(iii) Trade receivables	-	-	-	1,533.70	1,533.70	1,533.70
(iv) Cash and cash equivalents	-	-	-	2,859.43	2,859.43	2,859.43
(v) Bank balances other than cash and cash equivalents	-	-	-	1,780.14	1,780.14	1,780.14
(vi) Derivative instruments	-	1,599.69	274.35	-	1,874.04	1,874.04
(vii) Other financial assets	-	-	-	2,627.22	2,627.22	2,627.22
Total	**1,134.05**	**1,599.69**	**274.35**	**12,137.66**	**15,145.75**	**15,145.75**
Financial liabilities						
(i) Borrowings	-	-	-	34,326.21	34,326.21	34,326.21
(ii) Trade payables	-	-	-	2,071.63	2,071.63	2,071.63
(iii) Other financial liabilities	-	-	-	4,997.94	4,997.94	4,997.94
(iv) Lease liabilities	-	-	-	115.37	115.37	115.37
(v) Financial guarantee contracts	-	-	-	55.25	55.25	55.25
Total	**-**	**-**	**-**	**41,566.40**	**41,566.40**	**41,566.40**

(i) Investments in mutual fund, overseas fund by foreign subsidiaries, other fund and derivative instruments are mandatorily classified as fair value through consolidated statement of profit and loss and investment in commercial papers are classified at amortised cost.

(ii) As regards the carrying value and fair value of investments accounted for using equity method refer note 8(a) and 8(b).

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual and overseas fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes to the consolidated financial statements for the year ended March 31, 2021

Assets and liabilities measured at fair value (₹ in crore)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2021				
Financial assets				
Investments (other than investments in accounted for using equity method)	1,841.45	1,595.67	245.22	0.56
Derivative instruments	1,494.59	-	1,494.59	-
March 31, 2020				
Financial assets				
Investments (other than investments in accounted for using equity method)	1,134.05	1,133.49	-	0.56
Derivative instruments	1,874.04	-	1,874.04	-

Assets for which fair values are disclosed (₹ in crore)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2021				
Investment property	676.08	-	-	676.08
March 31, 2020				
Investment property	4,823.42	-	-	4,823.42

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivative contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

(iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(v) The fair values of investment property have been determined based on available data for similar investment property or observable market prices less incremental cost for disposing of the investment property on the basis of valuation done by independent valuer.

(vi) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2021 and year ended March 31, 2020.

(vii) Fair value of mutual funds and overseas funds is determined based on the net asset value of the funds.

Notes to the consolidated financial statements for the year ended March 31, 2021

(c) Financial risk management objectives and policies

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the consolidated financial statements.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings	9,094.61	10,411.39
Fixed rate borrowings	27,647.57	23,914.82
Total borrowings	**36,742.18**	**34,326.21**

(₹ in crore)

Particulars	Increase / (decrease) in basis points	Effect on profit before tax
March 31, 2021		
Increase	+50	(45.47)
Decrease	-50	45.47
March 31, 2020		
Increase	+50	(52.06)
Decrease	-50	52.06

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Notes to the consolidated financial statements for the year ended March 31, 2021

(b) Market risk- Foreign currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Group has entered into certain derivative contracts which are not designated as hedge. Refer note 51 for details.

(i) Foreign currency exposure

The following table demonstrate the unhedged exposure in USD exchange rate as at March 31, 2021 and March 31, 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

(in crore)

Particulars	Currency	March 31, 2021	March 31, 2020
Cash and bank balances	USD	1.91	139.56
		(1.30)	(92.80)
Trade receivables	USD	1.20	87.68
		(1.58)	(112.79)
Investments	USD	61.56	4,498.19
		(61.04)	(4,357.34)
Loans	USD	5.72	417.96
		(4.95)	(353.36)
Trade payables	USD	1.12	81.84
		(1.33)	(94.94)
Borrowings	USD	58.70	4,289.21
		(67.87)	(4,844.90)
Other financial liabilities	USD	7.91	577.98
		(10.93)	(780.24)
Net assets/(liabilities)	**USD**	**2.66**	**194.37**
		(11.26)	**(803.80)**

Note: Previous year's figures are shown in brackets above.

ii. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

(₹ in crore)

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2021		
Increase	4.62%	8.97
Decrease	(4.62%)	(8.97)
March 31, 2020		
Increase	5.45%	(43.81)
Decrease	(5.45%)	43.81

Notes to the consolidated financial statements for the year ended March 31, 2021

The sensitivity analysis has been based on the composition of the Group's net financial assets and liabilities as at March 31, 2021 and March 31, 2020. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Group.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 18,755.52 crore and ₹ 15,145.75 crore as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments (other than investments accounted for using equity method) and other financial assets.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Group does not hold collateral as security.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2021 and March 31, 2020.

With respect to trade receivables / unbilled revenue, the Group has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Reconciliation of loss allowance provision - Loans and other financial assets

(₹ in crore)

Particulars	Trade Receivables	Security Deposit	Loans	Non trade receivables
As at April 1, 2019	34.58	0.20	370.17	-
Movement during the year	2.78	-	(37.17)	5.81
As at March 31, 2020	**37.36**	**0.20**	**333.00**	**5.81**
Movement during the year	0.48	-	200.00	446.21
As at March 31, 2021	**37.84**	**0.20**	**533.00**	**452.02**

Liquidity risk

Liquidity risk refers to the risk that the Group can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through convertible debentures, non-convertible debentures, bonds and other debt instruments. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carries no or low market risk.

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors etc.

Notes to the consolidated financial statements for the year ended March 31, 2021

The following table shows a maturity analysis of the anticipated cash flows excluding interest and other finance charges obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(₹ in crore)

Particulars	0 to 1 year	1 to 5 years	> 5 years	Total
March 31, 2021				
Borrowings including current maturities (other than convertible preference shares)	5,756.35	17,942.45	13,369.63	37,068.43
Other financial liabilities	3,777.54	554.28	2,433.22	6,765.04
Lease liabilities	12.01	52.21	720.17	784.39
Trade payables	2,459.58	-	-	2,459.58
Total	**12,005.48**	**18,548.94**	**16,523.02**	**47,077.44**
March 31, 2020				
Borrowings including current maturities (other than convertible preference shares)	7,886.09	12,495.76	14,306.78	34,688.63
Other financial liabilities	4,099.38	694.98	2,666.55	7,460.91
Lease liabilities	10.13	51.12	728.61	789.86
Trade payables	2,071.63	-	-	2,071.63
Total	**14,067.23**	**13,241.86**	**17,701.94**	**45,011.03**

(i) The above excludes any financial liabilities arising out of financial guarantee contract as detailed in note 41.

(ii) For range of interest of borrowings, repayment schedule and security details refer note 18 and 23.

Price risk

The Group's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

(₹ in crore)

Particulars	Change in price	Effect on profit before tax
March 31, 2021		
Increase	5%	166.80
Decrease	(5%)	(166.80)
March 31, 2020		
Increase	5%	150.40
Decrease	(5%)	(150.40)

53. Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long-term and short-term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference share, share premium and all other equity reserves.

Notes to the consolidated financial statements for the year ended March 31, 2021

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with. Refer note 1.1

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Borrowings including current maturities of long term borrowings (refer notes 18 and 23)	36,742.18	34,326.21
Less: Cash and cash equivalents	(4,299.60)	(2,859.43)
Net debt (i)	**32,442.58**	**31,466.78**
Capital components		
Equity share capital	603.59	603.59
Other equity	(2,321.72)	(3,062.28)
Non-controlling interests	3,036.69	2,674.58
Total Capital (ii)	**1,318.56**	**215.89**
Capital and borrowings (iii = i + ii)	**33,761.14**	**31,682.67**
Gearing ratio(%) (i / iii)	**96.09%**	**99.32%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

54. Post outbreak of COVID-19 last year in the month of March 2020, many countries have implemented travel restrictions and quarantine measures. As a quarantine measure, Government of India has also imposed the countrywide lockdown with effect from March 25, 2020 which got extended till June 30, 2020, however, restrictions on operation of domestic flights were lifted from May 25, 2020. The Group has majority of its subsidiaries, joint ventures and associates operating in Airport sector, Energy sector, Highway sector and Urban Infra sector and with respect to COVID - 19 impact on the business of these entities, management believes while the COVID - 19 may impact the businesses in the short term, it does not anticipate medium to long term risk to the business prospects. Considering the business plans of the investee companies the management does not foresee any material impact on the carrying value at which the aforementioned investments, property plant and equipment, intangible assets, capital work in progress and trade receivables. Accordingly, no adjustments to the carrying value of these assets are considered necessary. Further, the management has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date and has concluded that there are no material adjustments required in the consolidated financial statements. The impact of the COVID - 19 pandemic might be different from that estimated as at the date of approval of these consolidated financial statements and the Group will closely monitor any material changes to the future economic conditions.

55. The Board at its meeting held on August 27, 2020, had approved the Scheme of Amalgamation and Arrangement amongst GMR Power Infra Limited (GPIL), a subsidiary of the Holding Company, the Holding Company and GMR Power and Urban Infra Limited (GPUIL), a wholly owned subsidiary and their respective shareholders ("the Scheme") subject to the requisite approvals, which, inter alia, envisages the following:

(i) the amalgamation of GPIL with the Holding Company and the dissolution of GPIL without winding up and cancellation of the equity shares held by its shareholders;

(ii) followed by the demerger of all the businesses, undertakings, activities, operations and properties forming part of the Demerged Undertaking (which includes the EPC Business and the Urban Infrastructure Business, as more particularly defined in the Scheme) of the Holding Company on a going concern basis, from the Holding Company to GPUIL, the cancellation of the equity shares held by the Holding Company in GPUIL and the issue of equity shares by GPUIL to the shareholders of the Holding Company; and

(iii) various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of GPUIL;

Upon the Scheme becoming effective and in consideration of the demerger and vesting of Demerged Undertaking of the Holding Company into GPUIL, GPUIL shall issue and allot to every member of the Holding Company holding 10 (Ten) fully paid up equity shares of face value of Re 1 in the Holding Company, 1 (One) equity share of face value of ₹ 5 each in GPUIL.

The Holding Company had filed the Scheme with NCLT Mumbai for its approval after the receipt of No-Objection from the BSE and NSE.

56. Ministry of Corporate Affairs had published a list of Disqualified Directors in September 2017. As per this list, Mr. Srinivasan Sandilya (Director of the Holding Company as at March 31, 2020) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2016 to October 31, 2021 pursuant to his directorship of Association of Indian Automobiles Manufacturers ('defaulting company'). Consequently, the defaulting company has filed application with the Registrar of Companies ('ROC') under Condonation of Delay Scheme, 2018 ('CODS - 2018'). During the year ended March 31, 2019, as confirmed by an email from ROC, his disqualification has been removed in view

Notes to the consolidated financial statements for the year ended March 31, 2021

of Circular No. 16/2017 dated 29-12-2017 after filing of documents under CODS, 2018. However, his name continues in the List of Disqualified Directors published by the Ministry as he was defaulter for non-filing of documents on the date of publication of the said list.

57. The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently the Ministry of Labour and Employment had released the draft rules on the aforementioned code. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the consolidated financial statements in the period when the code will come into effect.

58. Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

59. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

60. Reconciliation of liabilities arising from financing activities pursuant to Ind AS - 7 'Cash Flows'.

(₹ in crore)

Particulars	Long term borrowings*	Short term borrowings**
As at April 1, 2020	**32,695.34**	**1,630.87**
Cash flows changes:		
proceeds from long term borrowings	8,209.95	-
Repayment of long term borrowings	(5,126.25)	-
Repayment of short of long term borrowings (net)	-	(3.48.26)
Non cash changes:		
Foreign exchange fluctuations	(507.19)	-
Other	187.71	-
As at March 31, 2021	**35,459.57**	**1,282.61**
As at April 1, 2019	**25,208.67**	**2,364.99**
Cash flow changes		
proceeds from long term borrowings	9,307.85	-
Repayment of long term borrowings	(3,410.70)	-
Repayment of short of long term borrowings (net)	-	(734.12)
Non cash changes:		
Foreign exchange fluctuations	1,480.20	-
Other	109.32	-
As at April 31, 2020	**32,695.34**	**1,630.87**

* includes current maturities of long term borrowings

** movement of short term borrowings presented on net basis.

As per our report of even date

For Walker Chandiok & Co LLP
ICAI firm registration number: 001076N/ N500013
Chartered Accountants

Anamitra Das
Partner
Membership number: 062191

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of GMR Infrastructure Limited

G. M. Rao
Chairman
DIN: 00574243

Grandhi Kiran Kumar
Managing Director & Chief Executive Officer
DIN: 00061669

Saurabh Chawla
Chief Financial Officer

Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979

Date: June 18, 2021
Place: Counter Signed at Dubai and New Delhi